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84TH CONGRESS
1ST SESSION

H. R. 5560

IN THE HOUSE OF REPRESENTATIVES

APRIL 14, 1955

Mr. COOPER introduced the following bill: which was referred to the Committee on Ways and Means

A BILL

To make permanent the existing privilege of free importation of personal and household effects brought into the United States under Government orders, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the first sentence of section 2 of the Act of June 27,
4 1942, entitled "An Act to exempt from duty personal and
5 household effects brought into the United States under Gov-
6 ernment orders", as amended (U. S. C., title 50 App., sec.
7 802), is hereby repealed.

8 SEC. 2. (a) The following provisions of the Tariff Act
9 of 1930, as amended, are hereby amended by inserting

1 “Johnston Island,” immediately after “Kingman Reef,” each
2 place it appears therein:

3 (1) That part of section 1 which precedes schedule
4 1 (19 U. S. C., sec. 1001) .

5 (2) That part of section 201 which precedes sched-
6 ule 16 (19 U. S. C., sec. 1201) .

7 (3) Section 401 (k) (19 U. S. C., sec. 1401 (k)) .

8 (4) Section 557 (a) (19 U. S. C., sec. 1557 (a)) .

9 (5) Section 562 (19 U. S. C., sec. 1562) .

10 (b) Section 401 (a) of the Anti-Smuggling Act, as
11 amended (19 U. S. C., sec. 1709 (a)) , is hereby amended
12 by inserting “Johnston Island,” immediately after “Kingman
13 Reef,”.

14 (c) Sections 542, 544, and 545 of title 18 of the United
15 States Code are hereby amended by inserting “Johnston
16 Island,” immediately after “Kingman Reef,” each place it
17 appears therein.

18 (d) The amendments made by this section shall take
19 effect on the day following the day on which this Act is
20 enacted.

A BILL

To make permanent the existing privilege of free importation of personal and household effects brought into the United States under Government orders, and for other purposes.

By Mr. COOPER

APRIL 14, 1955

Referred to the Committee on Ways and Means

H. R. 5560

A BILL

For the relief of the
people of the State of
California, and for other
purposes.

7. CIVIC AUDITORIUM. The Rules Committee reported a resolution for consideration of H. R. 1825, creating a commission to plan a D. C. civic auditorium (p. 4609).
8. RECLAMATION; LOANS. The Interior and Insular Affairs Committee ordered reported H. R. 5881, to provide for Federal cooperation in non-Federal reclamation projects and for non-Federal cooperation in Federal projects (p. D368).
9. SALT-WATER RESEARCH. The Rules Committee ordered reported a resolution for consideration of H. R. 2126, to expand the salt-water research program (p. D368).
10. IMPORTS. The Ways and Means Committee ordered reported H. R. 5560, making permanent the existing privilege of free importation of personal and household goods under Government orders, and H. R. 5675, continuing through June 1958 the suspension of import taxes on copper (p. D369).
11. POSTAL PAY. The conferees agreed to report a revised version of S. 1, the postal pay bill (pp. D369-70).
12. SURPLUS COMMODITIES. The revision of H. R. 2851, as ordered reported by the House Agriculture Committee, provides as follows: Requires CCC to make available to HEW, for providing emergency assistance to the needy, agricultural commodities and products (including cereals and cereal products) acquired through price support operations. Authorizes CCC to pay processing and other charges up to the time of delivery to central locations in States. Upon certifications of the Labor Department and the Governors as to need, directs HEW to make such commodities and products available to State agencies. Provides that CCC make Sec. 416 commodities available without compensation and that HEW reimburse CCC for other commodities at the acquisition cost or current support price (whichever is lower) plus the costs of processing, etc. Provides that CCC expenditures under this bill may be made in advance of appropriations and shall be entered as accounts receivable.
13. EXPORT-IMPORT BANK. H. Doc. 150 (Apr. 28) is a proposed increase in the amount of \$300,000 in the limitation on expenses (to provide for additional staff and other expenses required for a growing workload) for the fiscal year 1956 for the Export-Import Bank of Washington.
14. SOIL CONSERVATION. The amendments by Sen. Holland and others to H. R. 1573, to repeal the ACP-acreage allotments tie-in, (see Digest 71), would exempt from the present ACP-acreage allotments tie-in farmers harvesting corn for ensilage, wheat in an amount not in excess of 15 acres, a commodity or a crop on which producers have rejected marketing quotas in a referendum, or peanuts for seed to be used for the raising of peanuts for hogs. The amendments would also require applicants to establish their eligibility for payments in such manner as the Secretary may prescribe by regulation.

SENATE

15. TRADE AGREEMENTS. Continued debate on H. R. 1, the trade agreements extension bill (pp. 4620-1, 4631, 4634-43, 4645-97), and agreed to limit debate on bill and that no nongermane amendment will be received (p. 4621). Sens. Beall, Morse, O'Mahoney, and Humphrey submitted amendments to be proposed to this bill.

During debate on this bill Sen. Malone stated that "H. R. 1 is an economic Yalta," and that, "Farmers, too, ... will be an early target of the global free trade agency, as will producers of milk, butter, cheese, and other farm commodities" (pp. 4648-51). Sen. Malone also spoke in favor of giving

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued
For actions of

May 4, 1955
May 3, 1955
84th-1st, No. 72

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HIGHLIGHTS: House debated price support bill. House committee ordered reported bill for Federal loans for non-Federal reclamation projects. Senate debated trade agreements bill. Sen. Symington criticized Mo. ASC committee. Sen. Aiken introduced and discussed bill to cooperate with States in reforestation.

HOUSE

1. PRICE SUPPORTS. Began debate on H. R. 12, to provide for 90% price supports on basic commodities. General debate was concluded, and the bill is to be read for amendment today. (pp. 4539-94.)
2. PERSONNEL. Agreed to H. Con. Res. 121, requesting the President to return for correction S. 1094, to clarify the Federal Employees' Uniform Allowance Act (pp. 4594-5).
3. CCC CLAIMS. Transferred from the Agriculture Committee to the Banking and Currency Committee H. R. 2137, 2872, 2007, 694, and 645, to relieve from CCC claims persons who innocently purchase converted fungible goods (p. 4594).
4. RESERVE MANPOWER. The Rules Committee reported a resolution for consideration of H. R. 5297, the military reserve manpower bill (p. 4538).
5. ANIMAL DISEASE. The Agriculture Committee ordered reported H. R. 4576, to provide for certain indemnity payments in Iowa on account of vesicular exanthema which could not be made because of a technicality (p. D367).
6. DROUGHT RELIEF. The Agriculture Committee considered but postponed action on H. R. 4176, to provide that feed furnished in disaster areas shall be made available for working stock and hogs (p. D367).

Sen. Carlson inserted a resolution from the Kansas Watersheds Association urging consideration of water and land conservation measures in that area (pp. 7362-3).

5. SALT-WATER RESEARCH. Received a resolution from the California Legislature urging that some of saline water research facilities be located in that State (pp. 7360-1).
6. FARM INCOME. Sen. Langer inserted a resolution from the machinists association urging Congress to enact legislation equitable to the small family-type farmer (p. 7362).
7. RURAL ELECTRIFICATION. Sen. Carlson inserted a letter and resolution from a Kansas electric cooperative association opposing recommendations of the "Hoover Commission," which would change any aspect of the rural electric cooperative program (p. 7362).
8. ANIMAL DISEASE. Sen. Wiley inserted a newspaper article commenting favorably on voluntary efforts by dairy farmers to eliminate and control Bang's disease. Sen. Wiley suggested that funds continue to be made available to the Agriculture Department for disease research and control (p. 7368).
9. CONTRACTS. The Finance Committee reported with amendments H. R. 4904, to extend for two years the Renegotiation Act of 1951 (S. Rept. 582) (p. 7363).
10. FOREIGN TRADE. Sen. Martin, Iowa, inserted his statement urging restrictive measures in relation to American participation in the proposed general agreement on trade and tariffs (pp. 7369-70).
11. FOREST LANDS. Passed, as reported, H. R. 4853, to authorize the sale of certain land in Alaska to the Pacific Northern Timber Company (p. 7385).

HOUSE

12. PERSONNEL. Passed, 370 to 3, with amendment, S. 67, providing pay increases for Federal employees (pp. 7437, 7443-53). House and Senate conferees were appointed (pp. 7405-7, 7453). For provisions of this bill see Digest 100.
The Ways and Means Committee reported, without amendment H. R. 5560, to make permanent the existing privilege of free importation of personal and household effects brought into the U. S. under Government orders (H. Rept. 859) (p. 7488).
13. SALT-WATER RESEARCH. Received the conference report on H. R. 2126, to continue and expand the Interior Department research program on converting salt water to fresh water (H. Rept. 861) (pp. 7438-9). The Senate agreed to this conference report on June 16.
14. RECLAMATION. Received the conference report on H. R. 103, to provide for the construction of distribution systems on authorized Federal reclamation projects by irrigation districts and other public agencies (H. Rept. 862) (p. 7439). The Senate agreed to this conference report on June 16.
15. FARM LOANS. The Agriculture Committee reported with amendments H. R. 5168, to provide for the retirement of Government capital in certain institutions operating under the supervision of FCA and to increase borrower participation in the management and control of the Federal Farm Credit System (H. Rept. 863) (p. 7488).

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued June 21, 1955
For actions of June 20, 1955
84th-1st - No. 103

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HIGHLIGHTS: House passed Federal pay bill and forest mining bill. House passed bills to extend livestock loans and to increase per-diem allowances. House received conference report on salt-water research bill. House committee reported farm credit bill. Senate passed emergency loans extension bill and defense appropriation bill. Sen. Ellender inserted and discussed CCC statement on price support costs, etc.

SENATE

1. **EMERGENCY LOANS.** Passed as reported S. 1582, which would extend emergency loans for two years (pp. 7424-5).
2. **APPROPRIATIONS.** Passed with amendments H. R. 6042, making appropriations for the Defense Department for 1956 (pp. 7388-7404, 7407-9, 7410-24).
Postponed debate on H. R. 6499, the general Government matters appropriations bill for 1956, until Tues., June 21 (p. 7428).
3. **COMMODITY CREDIT CORPORATION.** Sen. Ellender inserted a summary of the price supports program and Commodity Credit Corporation activities prepared by that Corporation (pp. 7425-8).
4. **IMMIGRATION.** Received a resolution from the California Legislature urging consideration of relief measures for Mexican labor immigrants (p. 7360-1).
5. **RECLAMATION.** Received a resolution from the California Legislature urging water and land conservation measures in the Central Valley (pp. 7360-1).

FREE IMPORTATION OF PERSONAL AND HOUSEHOLD EFFECTS BROUGHT INTO THE UNITED STATES UNDER GOVERNMENT ORDERS

JUNE 18, 1955.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Mr. COOPER, from the Committee on Ways and Means, submitted
the following

R E P O R T

[To accompany H. R. 5560]

The Committee on Ways and Means, to whom was referred the bill (H. R. 5560) to make permanent the existing privilege of free importation of personal and household effects brought into the United States under Government orders, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

Page 1, strike out lines 3 through 7, and insert:

That (a) the Act of June 27, 1942, entitled "An Act to exempt from duty personal and household effects brought into the United States under Government orders", as amended (U. S. C., title 50 App., secs. 801 and 802), is hereby amended to read as follows: "That under regulations to be prescribed by the Secretary of the Treasury, after consultation with such agencies as he shall consider to be substantially interested, the personal and household effects (with such limitation on the importation of alcoholic beverages and tobacco products as the Secretary may prescribe) of any person in the service of the United States who returns to the United States upon the termination of assignment to extended duty (as defined in the above-authorized regulations) at a post or station outside the customs territory of the United States, or of returning members of his family who have resided with him at such post or station, or of any person evacuated to the United States under Government orders or instructions, may be brought into customs territory of the United States without the payment of any duty or tax imposed upon, or by reason of, importation."

(b) The amendment made by subsection (a) shall be effective on and after July 1, 1955.

Amend the title so as to read:

A bill relating to the free importation of personal and household effects brought into the United States under Government orders, and for other purposes.

PURPOSE

The purpose of H. R. 5560 is to provide permanent authority for the exemption from duty of personal and household effects brought into the United States under Government orders. Additionally, H. R. 5560 would amend the Tariff Act of 1930 (ch. 497, 46 Stat. 590), section 401 (a) of the Antismuggling Act (ch. 438, 49 Stat. 529), and sections 542, 544, and 545 of title 18, United States Code, so as to place the military and civilian personnel stationed on Johnston Island in the same legal position with regard to the customs laws and smuggling laws as the personnel stationed on Wake Island and Midway Island.

This legislation was recommended to the Congress by the Department of Defense.

GENERAL STATEMENT

The act of June 27, 1942 (Public Law 633, 77th Cong.; 56 Stat. 461), allowed, until the day following the proclamation of peace by the President, the free entry of personal and household effects of any person returning to the United States under Government orders.

Public Law 450 of the 82d Congress extended the period of free entry to April 1, 1953.

Public Law 20 of the 83d Congress continued the free-entry privilege to July 1, 1955.

H. R. 5560 will provide a permanent free-entry privilege for the personal and household effects of certain persons in the service of the United States.

The effect of this duty-free importation privilege is to avoid the imposition of undue administrative burdens upon persons evacuated to the United States and constitutes an important morale factor and inducement to overseas duty.

In view of the continuing international obligations and commitments of the Federal Government requiring the presence in many parts of the world of substantial numbers of Government personnel, it is your committee's opinion that the free-entry privileges as provided in this legislation should be made permanent.

In making this authority permanent, your committee has adopted an amendment which limits this duty-free privilege—under regulations to be prescribed by the Secretary of the Treasury—to persons in the service of the United States who return to the United States upon the termination of assignment to extended duty outside the customs territory of the United States, or of returning members of his family who have resided with him at the foreign post or station, or of any person evacuated to the United States under Government orders or instructions. This amendment has been adopted because it was brought to your committee's attention that Government personnel assigned to duty outside the United States for relatively short periods of time are availing themselves of this free-entry privilege.

H. R. 5560 would accord to personnel stationed on Johnston Island the same privilege granted to personnel stationed on Wake Island and Midway Island with respect to allowing personal and household effects to be admitted to the United States without payment of duty when such effects are forwarded to the United States by reason of Government instructions regarding the movement of the owner of the article.

Personnel stationed on Wake Island and Midway Island are entitled under present law to this privilege because these islands were exempted from the customs laws of the United States by the act of June 25, 1938 (ch. 679, 52 Stat. 1077) and are considered therefore, for customs purposes, as foreign countries. Under existing law a transfer of articles from Johnston Island to the Territory of Hawaii or the continental United States is not considered to constitute "an importation" within the meaning of the applicable sections of the customs laws.

COMMITTEE AMENDMENT TO H. R. 5560

Your committee has been informed that it has been the consistent construction of present law that it applies to all personal and household effects imported by any employee of the United States who arrives in the United States under Government orders or by any member of the family of such an employee even though such employee may be absent from the United States for only a short period of time. Among the beneficiaries of the statute have been many Government employees assigned to short periods of foreign duty, amounting in some cases to only a day or two. It has also been brought to the attention of your committee that abuses have developed with respect to shipments of liquor and tobacco products.

The committee believes that when Government personnel are assigned to posts outside the United States under such circumstances that their household effects may be transported at Government expense, and in some other cases where temporary assignments are so extended that items must be purchased abroad beyond the normal requirements of a tourist, such personnel deserve the benefits of the free-entry privilege, except as to liquor or tobacco products. Your committee was advised by the Treasury Department that in the administration of the law the Department would ordinarily limit importations of liquor and tobacco products to the amounts that may be imported duty free by returning United States residents under existing law.

Your committee believes that Government personnel assigned to duty outside the United States for relatively short terms are adequately provided for by the exemptions applicable to other returning residents of the United States.

Accordingly, your committee has adopted an amendment which provides that the duty-free privilege accorded under H. R. 5560 will be available only with respect to extended overseas assignments.

Your committee is unanimous in urging the enactment of H. R. 5560, as amended.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

ACT OF JUNE 27, 1942

(Public Law 633, 77th Cong.)

AN ACT To exempt from duty personal and household effects brought into the United States under Government orders

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, under such regulations as the Secretary of the Treasury may prescribe, the personal and household effects of any person in the service of the United States, or of his family, or of any person evacuated to the United States under Government orders, may be brought into the United States or any of its possessions, pursuant to Government orders or instructions, without the payment of any duty or tax imposed upon, or by reason of, importation.

SEC. 2. [This Act shall be effective with respect to articles entered for consumption or withdrawn from warehouse for consumption on or after December 8, 1941, and before July 1, 1955.] The free entry herein authorized shall apply to any effects described in section 1 which are in customs custody on the effective date of this Act, notwithstanding the provisions of sections 490 and 491 of the Tariff Act of 1930, as amended.

TARIFF ACT OF 1930

TITLE I—DUTIABLE LIST

SECTION 1. That on and after the day following the passage of this Act, except as otherwise specially provided for in this Act, there shall be levied, collected, and paid upon all articles when imported from any foreign country into the United States or into any of its possessions (except the Philippine Islands, the Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, *Johnston Island*, and the island of Guam) the rates of duty which are prescribed by the schedules and paragraphs of the dutiable list of this title, namely:

* * * * * *

TITLE II—FREE LIST

SEC. 201. That on and after the day following the passage of this Act, except as otherwise specially provided for in this Act, the articles mentioned in the following paragraphs, when imported into the United States or into any of its possessions (except the Philippine Islands, the Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, *Johnston Island*, and the island of Guam), shall be exempt from duty:

* * * * * *

TITLE IV—ADMINISTRATIVE PROVISIONS

PART I—DEFINITIONS

SEC. 401. MISCELLANEOUS.

When used in this title or in part I of title III—

* * * * * *

(k) UNITED STATES.—The term "United States" includes all Territories and possessions of the United States, except the Philippine Islands, the Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, *Johnston Island*, and the island of Guam.

* * * * * *

PART IV—TRANSPORTATION IN BOND AND WAREHOUSING OF MERCHANDISE

* * * * * *

SEC. 557. ENTRY FOR WAREHOUSE—WAREHOUSE PERIOD—DRAWBACK.

(a) Any merchandise subject to duty, with the exception of perishable articles and explosive substances other than firecrackers, may be entered for warehousing and be deposited in a bonded warehouse at the expense and risk of the owner, importer, or consignee. Such merchandise may be withdrawn, at any time within three years from the date of importation, for consumption upon payment of the duties and charges accruing thereon at the rate of duty imposed by law upon such

merchandise at the date of withdrawal; or may be withdrawn for exportation or for transportation and exportation to a foreign country, or for shipment or for transportation and shipment to the Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, *Johnston Island*, or the island of Guam, without the payment of duties thereon, or for transportation and rewarehousing at another port or elsewhere, or for transfer to another bonded warehouse at the same port: *Provided*, That the total period of time for which such merchandise may remain in bonded warehouse shall not exceed three years from the date of importation. Merchandise upon which the duties have been paid and which shall have remained continuously in bonded warehouse or otherwise in the custody and under the control of customs officers, may be entered or withdrawn at any time within three years after the date of importation for exportation or for transportation and exportation to a foreign country, or for shipment or for transportation and shipment to the Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, *Johnston Island*, or the island of Guam, under such regulations as the Secretary of the Treasury shall prescribe, and upon such entry or withdrawal, and exportation or shipment, the duties thereon shall be refunded.

* * * * *

SEC. 562. MANIPULATION IN WAREHOUSE.

Unless by special authority of the Secretary of the Treasury, no merchandise shall be withdrawn from bonded warehouse in less quantity than an entire bale, cask, box, or other package; or, if in bulk, in the entire quantity imported or in a quantity not less than one ton weight. All merchandise so withdrawn shall be withdrawn in the original packages in which imported unless, upon the application of the importer, it appears to the collector that it is necessary to the safety or preservation of the merchandise to repack or transfer the same: *Provided*, That upon permission therefor being granted by the Secretary of the Treasury, and under customs supervision, at the expense of the proprietor, merchandise may be cleaned, sorted, repacked, or otherwise changed in condition, but not manufactured, in bonded warehouses established for that purpose and be withdrawn therefrom for exportation to a foreign country or for shipment to the Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, *Johnston Island*, or the island of Guam, without payment of the duties, or for consumption, upon payment of the duties accruing thereon, in its condition and quantity, and at its weight, at the time of withdrawal from warehouse, with such additions to or deductions from the final appraised value as may be necessary by reason of change in condition. The basis for the assessment of duties on such merchandise so withdrawn for consumption shall be the adjusted final appraised value, and if the rate of duty is based upon or regulated in any manner by the value of the merchandise, such rate shall be based upon or regulated by such adjusted final appraised value. The scouring or carbonizing of wool shall not be considered a process of manufacture within the provisions of this section. Under such regulations as the Secretary of the Treasury shall prescribe, imported merchandise which has been entered and which has remained in continuous customs custody may be manipulated in accordance with the provisions of this section under customs supervision and at the risk and expense of the consignee, but elsewhere than in a bonded warehouse, in cases where neither the protection of the revenue nor the proper conduct of customs business requires that such manipulation be done in a bonded warehouse.

SECTION 401 (a) OF THE ANTISMUGGLING ACT

TITLE IV

SECTION 401. When used in this Act—
 (a) The term "United States", when used in a geographical sense, includes all Territories and possessions of the United States, except the Philippine Islands, the Virgin Islands, the Canal Zone, American Samoa, Wake Island, Midway Islands, Kingman Reef, *Johnston Island*, and the island of Guam.

TITLE 18 OF THE UNITED STATES CODE

SEC. 542. ENTRY OF GOODS BY MEANS OF FALSE STATEMENTS

Whoever enters or introduces, or attempts to enter or introduce, into the commerce of the United States any imported merchandise by means of any fraudulent or false invoice, declaration, affidavit, letter, paper, or by means of any false statement, written or verbal, or by means of any false or fraudulent practice or

appliance, or makes any false statement in any declaration without reasonable cause to believe the truth of such statement, or procures the making of any such false statement as to any matter material thereto without reasonable cause to believe the truth of such statement, whether or not the United States shall or may be deprived of any lawful duties; or

Whoever is guilty of any willful act or omission whereby the United States shall or may be deprived of any lawful duties accruing upon merchandise embraced or referred to in such invoice, declaration, affidavit, letter, paper, or statement, or affected by such act or omission—

Shall be fined for each offense not more than \$5,000 or imprisoned not more than two years, or both.

Nothing in this section shall be construed to relieve imported merchandise from forfeiture under other provisions of law.

The term "commerce of the United States", as used in this section, shall not include commerce with the Philippine Islands, Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, *Johnston Island*, or Guam.

SEC. 544. RELANDING OF GOODS

If any merchandise entered or withdrawn for exportation without payment of the duties thereon, or with intent to obtain a drawback of the duties paid, or of any other allowances given by law on the exportation thereof, is relanded at any place in the United States without entry having been made, such merchandise shall be considered as having been imported into the United States contrary to law, and each person concerned shall be fined not more than \$5,000 or imprisoned not more than two years, or both; and such merchandise shall be forfeited.

The term "any place in the United States", as used in this section, shall not include the Philippine Islands, Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, *Johnston Island*, or Guam.

SEC. 545. SMUGGLING GOODS INTO THE UNITED STATES

Whoever knowingly and willfully, with intent to defraud the United States, smuggles, or clandestinely introduces into the United States any merchandise which should have been invoiced, or makes out or passes, or attempts to pass, through the customhouse any false, forged, or fraudulent invoice, or other document or paper; or

Whoever fraudulently or knowingly imports or brings into the United States, any merchandise contrary to law, or receives, conceals, buys, sells, or in any manner facilitates the transportation, concealment, or sale of such merchandise after importation, knowing the same to have been imported or brought into the United States contrary to law—

Shall be fined not more than \$10,000 or imprisoned not more than five years, or both.

Proof of the defendant's possession of such goods, unless explained to the satisfaction of the jury, shall be deemed evidence sufficient to authorize conviction for violation of this section.

Merchandise introduced into the United States in violation of this section, or the value thereof, to be recovered from any person described in the first or second paragraph of this section, shall be forfeited to the United States.

The term "United States", as used in this section, shall not include the Philippine Islands, Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, *Johnston Island*, or Guam.



84TH CONGRESS
1ST SESSION

H. R. 5560

[Report No. 859]

IN THE HOUSE OF REPRESENTATIVES

APRIL 14, 1955

Mr. COOPER introduced the following bill: which was referred to the Committee on Ways and Means

JUNE 18, 1955

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italics]

A BILL

To make permanent the existing privilege of free importation of personal and household effects brought into the United States under Government orders, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the first sentence of section 2 of the Act of June 27,
4 1942, entitled "~~An Act to exempt from duty personal and~~
5 household effects brought into the United States under Gov-
6 ernment orders", as amended (U. S. C., title 50 App., sec.
7 802), is hereby repealed.
8 That (a) the Act of June 27, 1942, entitled "~~An Act to~~
9 exempt from duty personal and household effects brought
10 into the United States under Government orders", as amended

1 *(U. S. C., title 50 App., secs. 801 and 802), is hereby*
 2 *amended to read as follows: "That under regulations to be*
 3 *prescribed by the Secretary of the Treasury, after consulta-*
 4 *tion with such agencies as he shall consider to be substantially*
 5 *interested, the personal and household effects (with such*
 6 *limitation on the importation of alcoholic beverages and*
 7 *tobacco products as the Secretary may prescribe) of any*
 8 *person in the service of the United States who returns to the*
 9 *United States upon the termination of assignment to ex-*
 10 *tended duty (as defined in the above-authorized regulations)*
 11 *at a post or station outside the customs territory of the*
 12 *United States, or of returning members of his family who*
 13 *have resided with him at such post or station, or of any person*
 14 *evacuated to the United States under Government orders or*
 15 *instructions, may be brought into customs territory of the*
 16 *United States without the payment of any duty or tax im-*
 17 *posed upon, or by reason of, importation."*

18 *(b) The amendment made by subsection (a) shall be*
 19 *effective on and after July 1, 1955.*

20 SEC. 2. (a) The following provisions of the Tariff Act
 21 of 1930, as amended, are hereby amended by inserting
 22 "Johnston Island," immediately after "Kingman Reef," each
 23 place it appears therein:

24 (1) That part of section 1 which precedes schedule
 25 1 (19 U. S. C., sec. 1001).

(2) That part of section 201 which precedes schedule 16 (19 U. S. C., sec. 1201) .

(3) Section 401 (k) (19 U. S. C., sec. 1401 (k)) .

(4) Section 557 (a) (19 U. S. C., sec. 1557 (a)) .

(5) Section 562 (19 U. S. C., sec. 1562) .

(b) Section 401 (a) of the Anti-Smuggling Act, as amended (19 U. S. C., sec. 1709 (a)) , is hereby amended by inserting “Johnston Island,” immediately after “Kingman Reef,”.

(c) Sections 542, 544, and 545 of title 18 of the United States Code are hereby amended by inserting “Johnston Island,” immediately after “Kingman Reef,” each place it appears therein.

(d) The amendments made by this section shall take effect on the day following the day on which this Act is enacted.

Amend the title so as to read: “A bill relating to the free importation of personal and household effects brought into the United States under Government orders, and for other purposes.”

84TH CONGRESS
1ST SESSION

H. R. 5560

[Report No. 859]

A BILL

To make permanent the existing privilege of free importation of personal and household effects brought into the United States under Government orders, and for other purposes.

By Mr. COOPER

APRIL 14, 1955

Referred to the Committee on Ways and Means

JUNE 18, 1955

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

H. R. 5560

(Referred to the Committee on the Judiciary)

A BILL

to amend the Act approved July 1, 1905, entitled "An Act to provide for the collection of the duties on certain goods imported from the Hawaiian Islands," and for other purposes.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued June 24, 1955
For actions of June 23, 1955
84th-1st - No.106

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HIGHLIGHTS: Both Houses agreed to conference reports on Federal employees pay bill and general Government matters appropriation bill. House received conference report on selective service bill. Senate agreed to conference report on independent offices appropriation bill.

HOUSE

1. PERSONNEL. Both Houses agreed to the conference report on S. 67, to adjust the rates of basic compensation of certain officers and employees of the Federal Government. The text of the bill as finally passed is printed in the Record. (pp. 7737, 7790-4.) This bill will now be sent to the President.

Passed as reported H. R. 5560, to make permanent the existing privilege of free importation of personal and household effects brought into the U. S. under Government orders (pp. 7770-1).

The Judiciary Committee reported with amendments H. J. Res. 157, to establish a Commission on Government Security (H. Rept. 911) (p. D607).

2. SELECTIVE SERVICE. Received the conference report on H. R. 3005, to further amend the Universal Military Training and Service Act by extending for four years the authority to induct certain individuals, and to extend for the same period the benefits under the Dependents Act. The statement of the House conferees includes the following:

"The Senate amendment provided for the exemption from registration and induction of members of the Reserve components of the Armed Forces while employed as veterinarians of the United States Department of Agriculture. This same provision was also applied to prior-service exemptions by another subsection of the Senate amendment which provided that no member of the

Reserve component 'who has been employed as a veterinarian by the United States Department of Agriculture for a period of 24 months from and after the date of enactment of this paragraph shall be liable for induction except in time of war or national emergency declared by the Congress.'

"The House managers objected to this portion of the Senate amendment on the grounds that these civilian employees of the Department of Agriculture are not serving in such employment as members of the uniformed services. The Senate managers receded from their insistence on this portion of the Senate amendment." (pp. 7768-9.)

3. LAWS, CODIFICATION. The Judiciary Committee reported without amendment an original bill, H. R. 6991, to revise, codify, and enact into law title 21 of the U. S. Code, "Food, Drugs, and Cosmetics" (H. Rept. 906) (p. 7809).
4. FOREIGN AID. The Foreign Affairs Committee was given permission to file, by midnight tonight, a report on S. 2090, the mutual security bill. (p. 7759). The time for filing minority views was extended until midnight Monday, June 27 (p. 7796).
5. STATE, JUSTICE, AND JUDICIARY APPROPRIATIONS, 1956. House conferees were appointed on this bill, H. R. 5502 (p. 7772). Senate conferees were appointed May 31.
6. GENERAL GOVERNMENT MATTERS APPROPRIATION BILL, 1956. Both Houses agreed to conference report on this bill, H. R. 6499 (pp. 7747, 7772-3). This bill will now be sent to the President.
7. HOUSING. The Banking and Currency Committee was given permission to file, by midnight Sunday, a report on S. 2126, the housing bill (p. 7808).
8. MONOPOLIES. Rep. Patman criticized certain recommendations made by the Attorney General's Committee to Study the Antitrust Laws and discussed the need for important improvements in the laws (pp. 7796-7).
9. DAIRY PROGRAM. Rep. Johnson, Wis., inserted statements prepared by three university professors which discuss the findings of a research study on dairy programs (pp. 7797-7807).
10. ADJOURNED until Mon., June 27 (p. 7809). Rep. McCormack announced that on Tues. the conference report on the selective service bill will be considered to be followed by the foreign aid bill (pp. 7795-6).

SENATE

11. INDEPENDENT OFFICES APPROPRIATION BILL, 1956. Agreed to the conference report on this bill, H. R. 5240 (pp. 7732-4). Concurred in the House amendment to the Senate amendment, to prohibit any agency covered by title I of the bill from refusing employment in the Federal Service to a person solely because of his age (pp. 7732).
12. D. C. APPROPRIATION BILL, 1956. Passed with amendments this bill, H. R. 6239 (pp. 7734-7). Senate conferees were appointed (p. 7737).
13. COPPER. Sen. Williams criticized the GSA for giving a windfall to a copper mining company, and inserted correspondence with GSA and GAO on this matter (pp. 7728-30).

"(b) Subsection (b) of such section is amended by amending paragraph (3) to read as follows:

"(3) Except as provided in section 4 (i) of this Act, and notwithstanding any other provision of this Act, no person who (A) has served honorably on active duty after September 16, 1940, for a period of not less than one year in the Army, the Air Force, the Navy, the Marine Corps, or the Coast Guard, or (B) subsequent to September 16, 1940, was discharged for the convenience of the Government after having served honorably on active duty for a period of not less than six months in the Army, the Air Force, the Navy, the Marine Corps, or the Coast Guard, or (C) has served for a period of not less than twenty-four months (i) as a commissioned officer in the Public Health Service or (ii) as a commissioned officer in the Coast and Geodetic Survey, shall be liable for induction for training and service under this Act, except after a declaration of war or national emergency made by the Congress subsequent to the date of enactment of this title."

"(c) Subsection (c) (2) (A) of such section is amended by inserting at the end thereof the following new sentence: 'No person who has been or may be deferred under the provisions of this clause shall by reason of such deferment be liable for training and service in the Armed Forces by reason of the provisions of subsection (h) hereof after he has attained the twenty-eighth anniversary of the date of his birth.'

"(d) Subsection (h) of such section is amended by inserting immediately after 'Provided further,' the following: "That the existence of a shortage or a surplus of any agricultural commodity shall not be considered in determining the deferment of any individual on the grounds that his employment in agriculture is necessary to the maintenance of the national health, safety, or interest: And provided further,'

"SEC. 102. Section 17 (c) of the Universal Military Training and Service Act, as amended, is amended by striking out 'July 1, 1955' wherever such date appears therein and inserting in lieu thereof 'July 1, 1959'.

"SEC. 103. Section 16 of the Dependents Assistance Act of 1950, as amended, is amended by striking out 'July 1, 1955' wherever such date appears therein and inserting in lieu thereof 'July 1, 1959'.

"TITLE II

"SEC. 201. Sections 4 and 7 of the Act entitled 'An Act to amend the Selective Service Act of 1948, as amended, so as to provide for special registration, classification, and induction of certain medical, dental, and allied specialist categories, and for other purposes', approved September 9, 1950 (64 Stat. 826), as amended, are amended by striking out 'July 1, 1955' wherever such date appears therein and inserting in lieu thereof 'July 1, 1957'.

"SEC. 202. The last sentence of paragraph (1) of section 4 (i) of the Universal Military Training and Service Act, as amended, is amended (1) by inserting immediately after the word 'subsection' the following: '(A) after he has attained the thirty-fifth anniversary of the date of his birth, if he applies or has applied for a commission in one of the Armed Forces in any of such categories and is or has been rejected for such commission on the sole ground of a physical disqualification, or (B)', and (2) by striking out 'fifty-first' and inserting in lieu thereof 'forty-sixth'.

"SEC. 203. Section 203 of the Career Compensation Act of 1949 (63 Stat. 809), as amended, is amended by striking out 'July 1, 1955' wherever such date appears therein and inserting in lieu thereof 'July 1, 1959'."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill, and agree to the same.

CARL VINSON,
OVERTON BROOKS,
PAUL J. KILDAY,
DEWEY SHORT,
L. C. ARENDS,

Managers on the Part of the House.

RICHARD B. RUSSELL,
HARRY F. BYRD,
LYNDON B. JOHNSON,
LEVERETT SALTONSTALL,
STYLES BRIDGES,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3005) to further amend the Universal Military Training and Service Act by extending the authority to induct certain individuals, and to extend the benefits under the Dependents Assistance Act to July 1, 1959, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment struck out all after the enacting clause in the House bill, made several changes in the regular draft act and added as a separate title the extension of the Doctors Draft Act together with the special pay for physicians and dentists.

There were several major and some minor differences between the House version with respect to the extension of the regular draft law and the amendment as passed by the Senate.

EXTENSION OF AUTHORITY TO DRAFT INDIVIDUALS UNDER THE REGULAR DRAFT

1. Both the House bill and the Senate amendment provided for a 4-year extension of the regular draft.

2. Both the House bill and the Senate amendment provided for a 4-year extension of the Dependents Assistance Act.

3. The House bill provided that individuals who enlist in National Guard units prior to attaining the age of 18½ would not be liable for induction beyond the age of 26. Under existing law such individuals are liable up to age 35. The Senate amendment makes such individuals liable for induction up to age 28. This is the first significant difference between the House bill and the Senate amendment. The House managers agreed to this portion of the Senate amendment.

4. The House bill contained an amendment which reduced the age of liability from age 35 to age 26 for an individual who was deferred for physical reasons as a result of being rejected by an Army examining station or induction station. The Senate amendment struck out this language from the House bill and thus continues in effect the present law which makes these individuals liable up to age 35. The House managers agreed to this portion of the Senate amendment.

5. Both the House bill and the Senate amendment contained language to the effect that the supply of an agricultural commodity may not be taken into consideration either in denying or granting deferments. The Senate amendment merely rearranged the wording of the House bill without changing the effect of the House bill in this respect. The House managers agreed to this portion of the Senate amendment.

6. The next difference between the House bill and the Senate amendment involved the amount of service necessary to qualify for exemption from induction on the basis of prior service. The House bill provided that an individual who served honorably on active duty after September 16, 1940, for a period

of 6 months or more in the Armed Forces (or 24 months in the Public Health Service) would not be liable for induction except upon a declaration of war or national emergency by the Congress. The Senate amendment provided that an individual shall be considered as qualified for exemption if he serves on active duty for a period of 1 year in the Armed Forces unless he was discharged for the convenience of the Government after having served 6 months or more. The Senate amendment also added the Coast and Geodetic Survey to the 2-year active duty requirement to qualify for such exemption. The House managers agreed to this portion of the Senate amendment.

7. The Senate amendment provided for the exemption from registration and induction of members of the Reserve components of the Armed Forces while employed as veterinarians of the United States Department of Agriculture. This same provision was also applied to prior-service exemptions by another subsection of the Senate amendment which provided that no member of the Reserve component "who has been employed as a veterinarian by the United States Department of Agriculture for a period of 24 months from and after the date of enactment of this paragraph shall be liable for induction except in time of war or national emergency declared by the Congress."

The House managers objected to this portion of the Senate amendment on the grounds that these civilian employees of the Department of Agriculture are not serving in such employment as members of the uniformed services. The Senate managers receded from their insistence on this portion of the Senate amendment.

8. The Senate amendment also added a new exemption from induction of any person who, subsequent to June 24, 1948, served on active duty for a period of not less than 18 months in the Armed Forces of a nation with which the United States is associated in mutual-defense activities if the country of which such person is a citizen grants the same privilege to citizens of the United States. A similar proposal was contained in H. R. 9007 which passed the House in the last Congress, but did not pass the Senate. The House managers agreed to this portion of the Senate amendment.

EXTENSION OF THE DOCTORS DRAFT ACT

The Senate amendment added a separate title to the bill as it passed the House under which the Doctors Draft Act would be extended for 2 years, and entitlement to the additional extra pay for doctors would be continued for doctors entering on active duty prior to July 1, 1959. In addition, the Senate amendment contained an amendment to the Doctors Draft Act which provided that an individual after July 1, 1955, who had attained the 35th anniversary of the date of his birth and applied for a commission in one of the Armed Forces as a physician or dentist, and who was thereafter rejected for such commission on the grounds of physical disqualification, would no longer be liable for service under the doctors draft law.

In extending the Doctors Draft Act the Senate amendment made no change in the maximum age of liability of induction for physicians and dentists which, under existing law, is 51 years of age.

The House managers insisted that the age of liability for doctors under the Doctors Draft Act be substantially reduced from the present age of 51. The House managers attempted to reduce the age of liability to 41 on the grounds that this would provide physicians to take care of the medical needs of the Armed Forces for the next 2 years so long as no medical-school graduates are deferred during the next 2 years for purposes of residency training. Failing in this effort the

House managers attempted to reduce the age to 42, 43, 44, and 45, but in each instance the Senate managers insisted that the age of liability remain at 51. The Senate managers insisted that the availability of physicians numberswise was not the sole criterion with regard to the procurement of physicians. The Senate managers likewise insisted that any age below 50 with regard to the Doctors Draft Act would fail to take into consideration any upward revision in the strength of the Armed Forces during the next 2 years. The Senate managers were of the opinion that members of the uniformed services are entitled to the best possible medical care and that such medical care would not be available unless more experienced physicians and specialists served side by side with young men who have recently completed their internships. The House managers fully concur in the absolute need for experienced physicians for our Armed Forces. The Senate managers insisted that specialists, in particular, would not be available in adequate numbers if the draft age were reduced below 46. In view of the urgency of the situation and the insistence of the Senate managers, the House managers agreed to a maximum draft age under the Doctors Draft Act of 46. In other words, no doctor will be liable for service under the doctors draft law after attaining his 46th birthday.

The House managers, however, after agreeing to a draft age of 46 for doctors, insisted that any doctor over the age of 35 who had applied for a commission as a physician or dentist in one of the Armed Forces and had been rejected at any time, or is hereafter rejected, on the sole basis of a physical disqualification, should no longer be liable for service under the doctors draft law. The Senate managers agreed to this amendment to the Senate amendment.

The managers of the House and Senate likewise discussed the situation with regard to optometrists. Both the House and Senate managers are conscious of the fact that the Department of the Army are using optometrists in their professional capacity as enlisted men. It is the opinion of both the House and Senate managers that the armed services should, if they utilize optometrists in their professional capacities, offer such individuals commissions. In other words, if an optometrist who is inducted under the regular draft act is utilized as an optometrist he should be offered a commission commensurate with his professional attainment.

There was no disagreement between the House and Senate managers with regard to the continuation of existing law, which authorizes additional pay for doctors serving on active duty.

CARL VINSON,
OVERTON BROOKS,
PAUL J. KILDAY,
DEWEY SHORT,
L. C. ARENDS,

Managers on the Part of the House.

IMPORTATION OF PERSONAL AND HOUSEHOLD EFFECTS

Mr. COOPER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 5560) to make permanent the existing privilege of free importation of personal and household effects brought into the United States under Government orders, and for other purposes.

This legislation was recommended to the Congress by the Department of Defense and was favorably reported, as amended, by the unanimous vote of the members of the House Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. JENKINS. Mr. Speaker, reserving the right to object, I have cleared this matter with the leadership on our side, and we concur with the request made by the distinguished gentleman from Tennessee.

Mr. Speaker, this bill which was unanimously reported by the Committee on Ways and Means simply makes permanent the existing privileges of free importation of personal and household effects brought into the United States on Government orders. We have adopted similar legislation in the past on a temporary basis. H. R. 5560 makes the privilege permanent.

Our distinguished colleague on the committee, Representatives BYRNES of Wisconsin, brought to the attention of the committee an unfortunate situation under the present law, namely, that some individuals who travel abroad for a temporary period under Government orders have taken advantage of the free importation privilege by bringing back duty free large quantities of allegedly household and personal effects. Such action, of course, has represented a complete evasion of the intent of Congress which was to provide the free importation privilege with respect to those Government employees who return to the United States after periods of extended duty abroad. Mr. BYRNES presented an amendment which will give the Secretary of the Treasury sufficient regulatory authority to control this practice. That amendment has been incorporated in this bill, and our distinguished colleague from Wisconsin is to be congratulated for having brought this matter to our attention.

(Mr. JENKINS asked and was given permission to revise and extend his remarks.)

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the first sentence of section 2 of the act of June 27, 1942, entitled "An act to exempt from duty personal and household effects brought into the United States under Government orders", as amended (U. S. C., title 50 App., sec. 802), is hereby repealed.

SEC. 2. (a) The following provisions of the Tariff Act of 1930, as amended, are hereby amended by inserting "Johnston Island," immediately after "Kingman Reef," each place it appears therein:

(1) That part of section 1 which precedes schedule 1 (19 U. S. C., sec. 1001).

(2) That part of section 201 which precedes schedule 16 (19 U. S. C., sec. 1201).

(3) Section 401 (k) (19 U. S. C., sec. 1401 (k)).

(4) Section 557 (a) (19 U. S. C., sec. 1557 (a)).

(5) Section 562 (19 U. S. C., sec. 1562).

(b) Section 401 (a) of the Anti-Smuggling Act, as amended (19 U. S. C., sec. 1709 (a)), is hereby amended by inserting "Johnston Island," immediately after "Kingman Reef,".

(c) Sections 542, 544, and 545 of title 18 of the United States Code are hereby amended by inserting "Johnston Island," immediately after "Kingman Reef," each place it appears therein.

(d) The amendments made by this section shall take effect on the day following the day on which this act is enacted.

With the following committee amendment:

Page 1, line 3, strike out all of lines 3, 4, 5, 6, 7 and insert:

"That (a) the act of June 27, 1942, entitled 'An act to exempt from duty personal and household effects brought into the United States under Government orders', as amended (U. S. C., title 50 App., secs. 801 and 802), is hereby amended to read as follows: 'That under regulations to be prescribed by the Secretary of the Treasury, after consultation with such agencies as he shall consider to be substantially interested, the personal and household effects (with such limitation on the importation of alcoholic beverages and tobacco products as the Secretary may prescribe) of any person in the service of the United States who returns to the United States upon the termination of assignment to extended duty (as defined in the above-authorized regulations) at a post or station outside the customs territory of the United States, or of returning members of his family who have resided with him at such post or station, or of any person evacuated to the United States under Government orders or instructions, may be brought into customs territory of the United States without the payment of any duty or tax imposed upon, or by reason of, importation.'

"(b) The amendment made by subsection (a) shall be effective on and after July 1, 1955."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended to read: "A bill relating to the free importation of personal and household effects brought into the United States under Government orders, and for other purposes."

A motion to reconsider was laid on the table.

(Mr. COOPER asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. COOPER. Mr. Speaker, H. R. 5560 would provide permanent authority for the exemption from duty of personal and household effects brought into the United States under Government orders. In addition, this legislation would place the military and civilian personnel stationed on Johnston Island in the same legal position with respect to the customs laws and smuggling laws as the personnel stationed on Wake Island and Midway Island.

In 1942 legislation was enacted—Public Law 633, 77th Cong., 56 Stat. 461—which allowed until the day following the proclamation of peace by the President the free entry of personal and household effects of any person returning to the United States under Government orders.

Public Law 450 of the 82d Congress extended the period of free entry to April 1, 1953.

Public Law 20 of the 83d Congress continued the free-entry privilege to July 1, 1955.

H. R. 5560 will provide a permanent free-entry privilege for the personal and household effects of certain persons in the service of the United States.

The effect of this duty-free importation privilege is to avoid the imposition of undue administrative burdens upon persons evacuated to the United States and constitutes an important morale factor and inducement to overseas duty.

In view of the continuing international obligations and commitments of the Federal Government requiring the presence in many parts of the world of substantial numbers of Government personnel, it was deemed advisable by the Committee on Ways and Means that this authority should be made permanent.

In making this authority permanent, an amendment was adopted which limits this duty-free privilege—under regulations to be prescribed by the Secretary of the Treasury—to persons in the service of the United States who return to the United States upon the termination of assignment to extended duty outside the customs territory of the United States, or of returning members of his family who have resided with him at the foreign post or station, or of any person evacuated to the United States under Government orders or instructions. This amendment has been adopted because it was brought to the attention of the Committee on Ways and Means that Government personnel assigned to duty outside the United States for relatively short periods of time are availing themselves of this free-entry privilege.

H. R. 5560 would accord to personnel stationed on Johnston Island the same privilege granted to personnel stationed on Wake Island and Midway Island with respect to allowing personal and household effects to be admitted to the United States without payment of duty when such effects are forwarded to the United States by reason of Government instructions regarding the movement of the owner of the article. Personnel stationed on Wake Island and Midway Island are entitled under present law to this privilege because these islands were exempted from the customs laws of the United States by the act of June 25, 1938 (ch. 679, 52 Stat. 1077) and are considered therefore, for customs purposes, as foreign countries. Under existing law a transfer of articles from Johnston Island to the Territory of Hawaii or the continental United States is not considered to constitute an importation within the meaning of the applicable sections of the customs laws.

The consistent construction of present law is that it applies to all personal and household effects imported by any employee of the United States who arrives in the United States under Government orders or by any member of the family of such an employee even though such employee may be absent from the United States for only a short period of time. Among the beneficiaries of the statute have been many Government employees assigned to short periods of foreign duty, amounting in some cases to only a day or two. It has also been brought to the attention of the Committee on Ways and Means that abuses have developed with respect to shipments of liquor and tobacco products.

It was the view of the Committee on Ways and Means that when Government

personnel are assigned to posts outside the United States under such circumstances that their household effects may be transported at Government expense, and in some other cases where temporary assignments are so extended that items must be purchased abroad beyond the normal requirements of a tourist, such personnel deserve the benefits of the free-entry privilege, except as to liquor or tobacco products. In the deliberations on this legislation by the Committee on Ways and Means, we were advised by the Treasury Department that in the administration of the law the Department would ordinarily limit importations of liquor and tobacco products to the amounts that may be imported duty free by returning United States residents under existing law.

It was the committee's view that Government personnel assigned to duty outside the United States for relatively short terms are adequately provided for by the exemptions applicable to other returning residents of the United States.

Accordingly, an amendment was adopted which provides that the duty-free privilege accorded under H. R. 5560 will be available only with respect to extended overseas assignments.

SOCIAL-SECURITY WAGE CREDITS FOR MILITARY SERVICE BEFORE JULY 1956

Mr. COOPER. Mr. Speaker, I ask unanimous consent for the immediate consideration of H. R. 5936, which is a bill to provide for the continuation for 9 months, through March 31, 1956, of the existing provisions of title II of the Social Security Act, relating to, first, old-age and survivors insurance wage credits for military service; and second, the payment of lump-sum death benefits where a serviceman dying overseas is reburied in this country.

Under existing law these provisions would not apply to service or deaths after June 30, 1955.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. JENKINS. Reserving the right to object, Mr. Speaker, I wish to concur with the gentleman from Tennessee in saying that this bill was voted out unanimously from the Committee on Ways and Means. I have consulted with the leadership, and there is no objection on this side.

Mr. Speaker, this bill was reported unanimously by our committee. It simply extends for an additional 9 months the present provisions of the Social Security Act which provides a monthly wage credit under the old-age and survivors insurance system for members of the Armed Forces and the payment of a lump-sum death benefit in the case of such an individual who dies overseas and is reburied in this country. The existing provisions of the Social Security Act expire this July 1. For this reason, it is essential that we act on the matter without undue delay. It should be noted that the extension contained in this bill will again expire

next April 1. Our committee decided upon this relatively limited extension in view of the expected recommendations of the House Select Committee on Survivors Benefits. We hope that those recommendations will be acted upon prior to the April 1 termination of the provisions of this bill. I would also like to make clear that while our committee unequivocally advocates that the cost to the old-age and survivors insurance trust fund of these gratuitous military-wage credits be reimbursed by the Federal Government, we did not include a provision to that effect in this bill solely because it was our understanding that the recommendations of the select committee, to which I have already referred, would include provision for such reimbursement.

(Mr. JENKINS asked and was given permission to revise and extend his remarks.)

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 217 (e) of the Social Security Act (relating to benefits in case of veterans) is amended by striking out "July 1, 1955" each place it appears and inserting in lieu thereof "July 1, 1956."

SEC. 2. The last sentence of section 202 (1) of the Social Security Act (relating to lump-sum death payments) is amended by striking out "July 1955" and inserting in lieu thereof "July 1956."

With the following committee amendments:

Page 1, line 6, strike out "July 1, 1956" and insert "April 1, 1956."

Page 2, line 2, strike out "July 1956" and insert "April 1956."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to provide wage credits under title II of the Social Security Act for military service before April 1956, and to permit application for lump-sum benefits under such title to be made within 2 years after interment or reinterment in the case of servicemen dying overseas before April 1956."

A motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD on the bill just passed.

The SPEAKER. Is there objection?

There was no objection.

Mr. COOPER. Mr. Speaker, under the old-age and survivors insurance system, individuals who have served in the active military or naval service of the United States at any time since September 14, 1940, are, under certain circumstances, provided wage credits under the system of \$160 per month for each month, or part thereof, of such service. Present law provides for these credits without any payment of taxes or the appropriation of funds to the old-age and survivors insurance trust fund. Under the existing provisions of law these wage credits will be provided only for service performed prior to July 1, 1955. H. R.

5936, as amended, extends this provision so that it will apply to service performed prior to April 1, 1956.

H. R. 5936 also extends the provision of the old-age and survivors insurance system under which the 2-year period for filing claims for lump-sum death payments in the case of reburial in this country of servicemen dying overseas, begins to run from the date of reburial in this country instead of from the date of death overseas. This provision, which under existing law applies only in the case of deaths prior to July 1, 1955, would be extended to cases of deaths occurring before April 1, 1956.

In view of the anticipated legislative recommendations of the House Select Committee on Survivors Benefits established pursuant to the authority of House Resolution 35 of the 84th Congress, it was the considered opinion of the Committee on Ways and Means that the extension of these provisions is desirable as a temporary measure pending the formulation of a long-range solution to the problem of retirement and related benefits for military personnel and their survivors based upon the recommendations of this select committee.

In our consideration of this legislation in executive session, the Committee on Ways and Means had tentatively approved an amendment to H. R. 5936 whereby the cost of the old-age and survivors insurance benefits resulting from wage credits and lump-sum death benefits attributable to military service, would be met by special appropriations from the general funds of the Treasury to reimburse the old-age and survivors insurance trust fund. However, our committee was advised that the House Select Committee on Survivors Benefits expected to report favorably to the House legislation which would provide for such reimbursement. In view of that fact, H. R. 5936 was reported with an amendment to provide for a simple 9 months' extension of existing law without any provisions for reimbursement of the old-age and survivors insurance trust fund included.

As stated on page 2 of the committee report, it was the unanimous view of the members of the Committee on Ways and Means that in the interest of guarding against the impairment of the old-age and survivors insurance trust fund it is necessary that the Congress provide for the reimbursement of the trust fund from the general funds of the Treasury.

The enactment of this legislation was recommended by the Department of Defense.

The membership of the Committee on Ways and Means voted unanimously to report H. R. 5936 favorably to the House with the amendment to which I have previously referred.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that the Health and Science Subcommittee of the Committee on Interstate and Foreign Commerce may sit this afternoon during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

COMMITTEE ON HOUSE ADMINISTRATION

Mr. BURLESON. Mr. Speaker, I ask unanimous consent that the Committee on House Administration may sit this afternoon during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

STATE, JUSTICE, AND JUDICIARY APPROPRIATIONS, 1956

Mr. ROONEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 5502, making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1956, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments and agree to the conference requested by the Senate.

The Clerk read the title of the bill.

Mr. GROSS. Mr. Speaker, reserving the right to object, do I understand this is the bill which the other body has increased by \$31,500,000 over the figure approved by the House?

Mr. ROONEY. The bill has been very, very substantially increased. The other body's version is \$51,544,276 over the current year appropriations, and only \$1,546,494 below the budget estimates of \$483,531,912.

Mr. GROSS. And this is the same bill on which the other body has named 16 managers on its part?

Mr. ROONEY. That is correct.

Mr. GROSS. And is the gentleman suggesting 16 managers on the part of the House?

Mr. ROONEY. No; I believe the Chair will appoint the usual number of conferees on the part of the House; and we think we can do all right in representing the views of the House.

Mr. GROSS. This bill has been increased by \$31,500,000 over the House figures. The chairman of the Appropriations Committee on June 1 made a speech on the floor of the House in behalf of a balanced budget and in behalf of economy in appropriations. I trust the managers on the part of the House, and the chairman of the Appropriations Committee, in view of this \$31,500,000 increase—and I think the gentleman well knows that some of those increases are in items which never ought to have been increased—it is my hope that the conferees on the part of the House will insist upon the House figure.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from New York? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. ROONEY, PRESTON, SIKES, MAGNUSON, CANNON, COUDERT, BOW, CLEVINGER, and TABER.

AUTHORITY GRANTED TO SPEAKER TO DECLARE RECESS ON THURSDAY, JUNE 30

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that it may be in order for the Speaker at any time on Thursday next to declare a recess of the House for the purpose of receiving His Excellency U Nu, Prime Minister of Burma.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

GENERAL GOVERNMENT MATTERS APPROPRIATION BILL, 1956

Mr. ANDREWS. Mr. Speaker, I call up the conference report on the bill (H. R. 6649) making appropriations for the Executive Office of the President and sundry general Government agencies for the fiscal year ending June 30, 1956, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House may be read in lieu of the report.

The clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of June 22, 1955.)

Mr. ANDREWS. Mr. Speaker, the action of the conference committee on this bill can best be summarized by a tabulation comparing appropriations and estimates for the agencies contained in the bill.

Appropriations, 1955.....	\$14,576,850
Budget estimates, 1956.....	28,777,700
Bill as passed the House.....	21,890,700
Bill as passed the Senate.....	27,166,300
Conference agreement.....	27,166,300
Conference agreement compared with:	
Estimates.....	-1,611,400
House bill.....	+5,275,000

Additional estimates for the Executive Office of the President were considered by the Senate in the amount of \$1,077,000, net, above those considered by the House. I shall briefly treat the major activities for the benefit of the House.

For the Executive Office of the President, modest reductions of \$15,000 for the Council of Economic Advisers and \$95,000 for the Office of Defense Mobilization, both made by the House, remain unchanged. Funds for all other activities are approved as requested.

Funds appropriated to the President are contained in the bill as requested except for certain specialized language which was eliminated in the House, and remains eliminated after conference.

Items for the American Battle Monument Commission were not involved in conference, and stand approved as passed by the House.

For the Foreign Claims Settlement Commission, the conferees agreed that the full amount of the budget estimate will undoubtedly be an ultimate requirement, and it is therefore included in the

84TH CONGRESS
1ST SESSION

H. R. 5560

IN THE SENATE OF THE UNITED STATES

JUNE 24, 1955

Read twice and referred to the Committee on Finance

AN ACT

Relating to the free importation of personal and household effects brought into the United States under Government orders, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That (a) the Act of June 27, 1942, entitled "An Act to
4 exempt from duty personal and household effects brought
5 into the United States under Government orders", as amended
6 (U. S. C., title 50 App., secs. 801 and 802), is hereby
7 amended to read as follows: "That under regulations to be
8 prescribed by the Secretary of the Treasury, after consulta-
9 tion with such agencies as he shall consider to be substantially
10 interested, the personal and household effects (with such

1 limitation on the importation of alcoholic beverages and
2 tobacco products as the Secretary may prescribe) of any
3 person in the service of the United States who returns to the
4 United States upon the termination of assignment to ex-
5 tended duty (as defined in the above-authorized regulations)
6 at a post or station outside the customs territory of the
7 United States, or of returning members of his family who
8 have resided with him at such post or station, or of any person
9 evacuated to the United States under Government orders or
10 instructions, may be brought into customs territory of the
11 United States without the payment of any duty or tax im-
12 posed upon, or by reason of, importation.”

13 (b) The amendment made by subsection (a) shall be
14 effective on and after July 1, 1955.

15 SEC. 2. (a) The following provisions of the Tariff Act
16 of 1930, as amended, are hereby amended by inserting
17 “Johnston Island,” immediately after “Kingman Reef,” each
18 place it appears therein:

19 (1) That part of section 1 which precedes schedule
20 1 (19 U. S. C., sec. 1001).

21 (2) That part of section 201 which precedes sched-
22 ule 16 (19 U. S. C., sec. 1201).

23 (3) Section 401 (k) (19 U. S. C., sec. 1401 (k)).

24 (4) Section 557 (a) (19 U. S. C., sec. 1557 (a)).

25 (5) Section 562 (19 U. S. C., sec. 1562).

1 (b) Section 401 (a) of the Anti-Smuggling Act, as
2 amended (19 U. S. C., sec. 1709 (a)), is hereby amended
3 by inserting "Johnston Island," immediately after "King-
4 man Reef,".

5 (c) Sections 542, 544, and 545 of title 18 of the United
6 States Code are hereby amended by inserting "Johnston
7 Island," immediately after "Kingman Reef," each place it
8 appears therein.

9 (d) The amendments made by this section shall take
10 effect on the day following the day on which this Act is
11 enacted.

Passed the House of Representatives June 23, 1955.

Attest:

RALPH R. ROBERTS,

Clerk.

AN ACT

Relating to the free importation of personal
and household effects brought into the
United States under Government orders,
and for other purposes.

JUNE 24, 1955

Read twice and referred to the Committee on Finance

18. PERSONNEL. The Davis subcommittee of the Post Office and Civil Service Committee ordered reported to the full committee H. R. 3687, to permit inclusion of State service for computing the amount of annuity (p. D638).

A subcommittee of the Judiciary Committee ordered favorably reported to the full committee H. R. 2383, amended, Inventive Contributions Awards Act of 1955 (p. D637).

19. LANDS. A subcommittee of the Interior and Insular Affairs Committee approved for reporting to the full committee H. R. 4308, H. R. 4303, and S. 1177, for the relief of desert-land entrymen whose entries are dependent upon percolating waters for reclamation (p. D637).

SENATE

20. DEBT LIMIT. The Finance Committee reported without amendment H. R. 6992, to extend for 1 year the existing temporary increase in the public-debt limit (S. Rept. 688) (p. 8102).

21. POSTAL RATES. Passed with amendment S. 1292, to readjust postal classification on educational and cultural materials (pp. 8076-80).

22. WILDLIFE. Passed as reported S. 756, to authorize the appropriation of accumulated receipts in the Federal-aid-to-wildlife-restoration fund established by the Pittman-Robertson Act and to authorize the expenditure of funds apportioned by a State under such act for the management of wildlife areas and resources (p. 8082).

23. PERSONNEL. The Finance Committee reported with amendment H. R. 5560, to make permanent the existing privilege of free importation of personal and household effects brought into the U. S. under Government orders (S. Rept. 690) (p. 8102).

Passed as reported S. 1041, to provide for the inclusion in the computation of accredited service, for retirement purposes, of certain periods of service rendered States or instrumentalities of States (pp. 8075-6). The bill applies to certain Federal employees who in the past were employed on Federal-State projects financed wholly or in part by the Federal Government; it provides that such service shall be credited for retirement purposes provided: (1) the performance of such service is certified by the head of the executive department of the Federal Government which administers the law authorizing the program; (2) the employee has at least 5 years of Federal service in a position within the purview of the Act, other than in a position described in this bill, at the time of his retirement or death; and (3) the employee deposits to the credit of the civil-service retirement fund an amount equal to the sum which would have been deducted from his basic compensation had he been subject to the Civil Service Retirement Act, plus the requested interest.

As reported (see Digest 108), S. 59 makes retroactive to April 1, 1948, a 1949 amendment to the Civil Service Retirement Act extending to each retiring married female employee the privilege of naming her husband to receive a survivor annuity in event of her death, similar to the annuities which retiring male employees were able to provide for their wives through the 1948 amendment

Passed as reported S. 1792, to amend section 10 of the Federal Employees Group Life Insurance Act of 1954, authorizing the assumption of the insurance obligations of any nonprofit association of Federal employees with its members (pp. 8100-2). The bill would make possible the continuance of the life-insurance protection held by about 135,000 Federal employees, both active and retired, as members of various nonprofit beneficial associations through an

arrangement made by the Civil Service Commission and each interested association, whereby the Employees' Life Insurance Fund would assume the insurance obligations and receive the association's assets together with future premium payments. The bill would also authorize the Commission to insure obligations so assumed with the life-insurance company now underwriting the association insurance, or with any other company which is an insurer or reinsurer under the act.

Passed without amendment S. 1849, to provide for the granting of career-conditional and career appointments in the competitive civil service to indefinite employees who previously qualified for competitive appointment (pp. 8074-5). As reported (see Digest 102), S. 1849 provides "that indefinite employees (except employees whose salary rate is fixed by the act of July 6, 1945, as amended) who are serving on the effective date of enactment in positions in the competitive service, and who were so serving on January 23, 1955, would have their indefinite appointments converted to career-conditional or career appointments if they were certified and within reach for indefinite appointment on competitive civil-service registers appropriate for indefinite appointment to jobs they held between June 30, 1950, and January 23, 1955. Determination as to whether they would receive career or career-conditional appointments would depend upon their length of service during such period of time."

24. LEGISLATIVE PROGRAM. Sen. Johnson announced that today, following the call of the calendar for unobjected-to bills, consideration will be given to the following bills: to increase the public debt limit, free importation of personal effects from abroad; conference reports on defense and D. C. appropriations if received; and that on Fri. it is hoped the military construction bill can be considered (pp. 8065-6).

BILLS INTRODUCED

25. FARM PROGRAM. H. R. 7090, by Rep. Abbitt, to "further amend the Agricultural Adjustment Act of 1938;" to Agriculture Committee (p. 8151).
26. MONOPOLIES. H. R. 7096, by Rep. Roosevelt, to amend sections 3 and 4 of the Clayton Act to free those in commerce from restraints of trade and to allow small-business men freedom of choice in the conduct of their respective businesses as independent enterprises; to Judiciary Committee (p. 8151).
27. PROPERTY. H. R. 7098, by Rep. Wilson, Calif., establishing a general policy and procedures with respect to payments to State and local governments on account of Federal real property and tangible personal property; to Interior and Insular Affairs Committee (p. 8151).
- S. 2364, by Sen. Smathers (for Sen. Kennedy), "to amend the Federal Property and Administrative Service Act of 1949, as amended;" to Government Operations Committee (p. 8068). Remarks of author (pp. 8068-9).
- S. 2368, by Sen. Smathers (for Sen. Kennedy), to add a new title relating to real property management to the Federal Property and Administrative Services Act of 1949, as amended; to Government Operations Committee (p. 8068). Remarks of author (pp. 8068-9).
28. DONATION. H. R. 7109, by Rep. Watts, to establish a system of distribution of surplus agricultural commodities to unemployed persons; to Agriculture Committee (p. 8151).
29. STORAGE. S. 2365, by Sen. Smathers (for Sen. Kennedy), extending the authority of the General Services Administration with respect to warehouses and other storage facilities operated by civilian agencies of the Government; to Government Operations Committee (p. 8068). Remarks of author (pp. 8068-9).

FREE IMPORTATION OF PERSONAL AND HOUSEHOLD
EFFECTS BROUGHT INTO THE UNITED STATES UNDER
GOVERNMENT ORDERS

JUNE 29, 1955.—Ordered to be printed

Mr. JOHNSON of Texas (for Mr. BYRD), from the Committee on Finance, submitted the following

R E P O R T

[To accompany H. R. 5560]

The Committee on Finance, to whom was referred the bill (H. R. 5560) relating to the free importation of personal and household effects brought into the United States under Government orders, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill, as amended, do pass.

AMENDMENT

The House bill would have made permanent the right of citizens returning from extended foreign assignments to bring in free of duty their personal and household goods.

The Finance Committee felt that because of the marked increase in foreign assignments of military and civilian personnel and the corresponding increase in the possibility of abuse, periodic congressional review should be made.

An amendment was adopted which provides for a 3-year extension in lieu of the permanent authority contained in the bill.

PURPOSE

The purpose of H. R. 5560, as amended by the Finance Committee, is to provide for a continuation until July, 1958, of the exemption from duty of personal and household effects brought into the United States under Government orders. The bill also amends the Tariff Act of 1930 (ch. 497, 46 Stat. 590), section 401 (a) of the Antismuggling Act (ch. 438, 49 Stat. 529), and sections 542, 544, and 545 of title 18, United States Code, so as to place the military and civilian

personnel stationed on Johnston Island in the same legal position with regard to customs laws and smuggling laws as the personnel stationed on Wake Island and Midway Island.

The act of June 27, 1942 (Public Law 633, 77th Cong.; 56 Stat. 461), allowed, until the day following the proclamation of peace by the President, the free entry of personal and household effects of any person returning to the United States under Government orders.

Public Law 450 of the 82d Congress extended the period of free entry to April 1, 1953.

Public Law 20 of the 83d Congress continued the free-entry privilege to July 1, 1955.

H. R. 5560, as amended, will provide a free-entry privilege for the personal and household effects of certain persons in the service of the United States until July 1, 1958.

The privilege of importing personal and household goods without the trouble and expense of paying duty has constituted an important morale factor and has been a needed incentive to overseas duty on the part of Government personnel. The administrative burdens involved in the movement of personnel and members of families would be seriously increased if the present free-entry privilege was to be allowed to lapse.

The Department of Defense has recommended that this legislation be adopted.

Temporary allowance for free importation of personal and household goods not for sale has been continued at intervals since first adopted in June 1942. Under these laws such free importation might take place whether the foreign service was of long or short duration. Under H. R. 5560 only those on extended foreign assignment would be allowed the duty-free privilege relating to personal and household goods. For short assignments abroad the necessity for acquiring large amounts of personal or household goods would not be so likely to arise and those having short assignments could claim the ordinary duty-free tourist privileges granted to all citizens.

In extending this authority, it is recognized that our international relations and constantly increasing foreign trade will continue to require that substantial numbers of Government personnel be assigned to foreign service.

The free importation of personal or household effects permitted by the bill is based on the termination of the foreign assignment and the return to the United States of the employee concerned. An overly rigid interpretation of the language to mean that the employee must physically accompany the household effects or that all foreign assignments must have terminated could result in considerable inconvenience or loss of the free importation privileges. Civil or military personnel are frequently transferred to other temporary foreign assignments prior to their return to the United States, and find it impossible to carry with them all their household or personal goods. Others released from foreign assignments take advantage of the opportunity to travel abroad before returning to the United States. The committee is of the opinion that the Secretary of the Treasury will be reasonably lenient in the administration of the proposed law without allowing abuses to multiply.

The Treasury Department recognizes that, especially with regard to liquor and tobacco, some returning Government employees may have

taken undue advantage of the free import privilege. It is anticipated that this will be held to a low minimum in the future by the requirement in the law that it shall apply only to those on extended foreign duty and the Treasury regulation that free imports of liquor and tobacco will be limited to those amounts allowed to returning tourists.

H. R. 5560 would accord to personnel stationed on Johnston Island the same privilege granted to personnel stationed on Wake Island and Midway Island with respect to allowing personal and household effects to be admitted to the United States without payment of duty when such effects are forwarded to the United States by reason of Government instructions regarding the movement of the owner of the article. Personnel stationed on Wake Island and Midway Island are entitled under present law to this privilege because these islands were exempted from the customs laws of the United States by the act of June 25, 1938 (ch. 679, 52 Stat. 1077) and are considered therefore, for customs purposes, as foreign countries. Under existing law a transfer of articles from Johnston Island to the Territory of Hawaii or the continental United States is not considered to constitute "an importation" within the meaning of the applicable sections of the customs laws.

The Department of the Navy submitted the following favorable report on this legislation:

DEPARTMENT OF THE NAVY,
OFFICE OF THE SECRETARY,
Washington 25, D. C., February 12, 1955.

Hon. RICHARD M. NIXON,
President of the Senate,
United States Senate, Washington 25, D. C.

MY DEAR MR. PRESIDENT: There is forwarded herewith a draft of legislation to amend the act of June 27, 1942 (ch. 453, 56 Stat. 461), as amended, to make permanent the exemptions from duty of personal and household effects, and for other purposes.

This proposal is a part of the Department of Defense legislative program for 1955, and the Bureau of the Budget has advised that there would be no objection to its transmittal to the Congress for consideration. The Department of the Navy has been designated as the representative of the Department of Defense for this legislation. It is recommended that this proposal be enacted by the Congress.

PURPOSE OF THE LEGISLATION

The purpose of this proposal is to make permanent the existing temporary authority for the exemptions from duty of personal and household effects brought into the United States under Government orders. The present law was temporarily extended by Public Law 20 of the 83d Congress and will expire on July 1, 1955. This law permits the free entry of personal and household effects of any person evacuated into the United States under Government orders and applies to the personal and household effects of any person in the service of the United States, or of his family, which are forwarded to the United States by reason of Government instructions regarding the movement of the owner of the article, whether or not the owner returns to this country.

In view of the expansion of the Armed Forces and the continuing international obligations and commitments of the Government, which require, and will continue to require, the presence in many parts of the world of substantial numbers of personnel in the Armed Forces, this Department believes the free entry privileges should be made permanent. Termination of this authority not only would impose inequitable administrative burdens upon persons evacuated to the United States but would remove an important morale factor and inducement to overseas duty. In view of the foregoing, it is believed that rather than continually burden the Congress with requests for extensions, the authority should be made permanent. The exercise of this authority is safeguarded from abuse by appropriate regulations of the Department of the Treasury, as required by the act.

4 FREE IMPORTATION OF PERSONAL AND HOUSEHOLD EFFECTS

Additionally, this proposal would further amend the Tariff Act of 1930 (ch. 497, 46 Stat. 590), section 401 (a) of the Antismuggling Act (ch. 438, 49 Stat. 529), and sections 542, 544, and 545 of title 18, United States Code, so as to place the military and civilian personnel residing on Johnston Island in the same legal position with regard to the customs laws and smuggling laws as the personnel who reside on Wake Island, Midway Island, and Kingman Reef.

The act of June 28, 1938 (ch. 679, 52 Stat. 1077), made various amendments to the Tariff Act of 1930 and the Antismuggling Act, the effect of which was to exclude Wake Island, Midway Island, and Kingman Reef from the term "United States" wherever it is found in the laws relating to customs administration and smuggling. As a consequence, the personnel assigned to those islands are within the scope of the act of June 27, 1942 (ch. 453, 56 Stat. 461), as amended. That act, which would be made permanent by the first section of this proposal, currently authorizes, until July 1, 1955, the free importation into the United States without the payment of any import tax or duty of "the personal and household effects of any person in the service of the United States, or his family, or of any person evacuated to the United States," when the movement is made in compliance with Government orders. Johnston Island was not excluded from the term "United States," and, therefore, when personnel assigned to that island are transferred on Government orders back to the United States, they are required to pay duty upon any articles of foreign manufacture purchased by them on Johnston Island, upon which duty has not already been paid.

The Department of Defense is of the opinion that this inequality in the treatment of personnel assigned to islands in the Pacific is unjustifiable and causes lower morale among the personnel assigned to Johnston Island. In this regard, it is noted that personnel assigned to that island are "outside the continental limits of the United States" for the purposes of the act of December 5, 1942 (ch. 680, 56 Stat. 1041), as amended, and, like personnel assigned to Wake Island, Midway Island, and Kingman Reef, may mail gifts which do not exceed \$50 in value to the United States free of all customs duty. It is an anomalous situation for personnel on Johnston Island to be able to mail gifts to the United States without payment of duty thereon, while unable to ship such articles of foreign manufacture back to the United States among their personal and household effects.

COST AND BUDGET DATA

This proposal would cause no increase in the budgetary requirements for the Department of Defense.

Sincerely yours,

C. S. THOMAS.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

ACT OF JUNE 27, 1942

(Public Law 633, 77th Cong.)

AN ACT To exempt from duty personal and household effects brought into the United States under Government orders

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, [That, under such regulations as the Secretary of the Treasury may prescribe, the personal and household effects of any person in the service of the United States, or of his family, or of any person evacuated to the United States under Government orders, may be brought into the United States or any of its possessions, pursuant to Government orders or instructions, without the payment of any duty or tax imposed upon, or by reason of, importation.

[SEC. 2. This Act shall be effective with respect to articles entered for consumption or withdrawn from warehouse for consumption on or after December 8, 1941, and before July 1, 1955. The free entry herein authorized shall apply to any effects described in section 1 which are in customs custody on the effective

date of this Act, notwithstanding the provisions of sections 490 and 491 of the Tariff Act of 1930, as amended.】 *That under regulations to be prescribed by the Secretary of the Treasury, after consultation with such agencies as he shall consider to be substantially interested, the personal and household effects (with such limitation on the importation of alcoholic beverages and tobacco products as the Secretary may prescribe) of any person in the service of the United States who returns to the United States upon the termination of assignment to extended duty (as defined in the above-authorized regulations) at a post or station outside the customs territory of the United States, or of returning members of his family who have resided with him at such post or station, or of any person evacuated to the United States under Government orders or instructions, may be brought into customs territory of the United States without the payment of any duty or tax imposed upon, or by reason of, importation.*

TARIFF ACT OF 1930

TITLE I—DUTIABLE LIST

SECTION 1. That on and after the day following the passage of this Act, except as otherwise specially provided for in this Act, there shall be levied, collected, and paid upon all articles when imported from any foreign country into the United States or into any of its possessions (except the Philippine Islands, the Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, *Johnston Island*, and the island of Guam) the rates of duty which are prescribed by the schedules and paragraphs of the dutiable list of this title, namely:

* * * * *

TITLE II—FREE LIST

SEC. 201. That on and after the day following the passage of this Act, except as otherwise specially provided for in this Act, the articles mentioned in the following paragraphs, when imported into the United States or into any of its possessions (except the Philippine Islands, the Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, *Johnston Island*, and the island of Guam), shall be exempt from duty:

* * * * *

TITLE IV—ADMINISTRATIVE PROVISIONS

PART I—DEFINITIONS

SEC. 401. MISCELLANEOUS.

When used in this title or in part I of title III—

* * * * *

(k) UNITED STATES.—The term "United States" includes all Territories and possessions of the United States, except the Philippine Islands, the Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, *Johnston Island*, and the island of Guam.

* * * * *

PART IV—TRANSPORTATION IN BOND AND WAREHOUSING OF MERCHANDISE

* * * * *

SEC. 557. ENTRY FOR WAREHOUSE—WAREHOUSE PERIOD—DRAWBACK.

(a) Any merchandise subject to duty, with the exception of perishable articles and explosive substances other than firecrackers, may be entered for warehousing and be deposited in a bonded warehouse at the expense and risk of the owner, importer, or consignee. Such merchandise may be withdrawn, at any time within three years from the date of importation, for consumption upon payment of the duties and charges accruing thereon at the rate of duty imposed by law upon such merchandise at the date of withdrawal; or may be withdrawn for exportation or for transportation and exportation to a foreign country, or for shipment or for transportation and shipment to the Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, *Johnston Island*, or the island of Guam, without the payment of duties thereon, or for transportation and rewarehousing at another port or elsewhere, or for transfer to another bonded warehouse at the same port: *Provided*, That the total period of time for which such merchandise may remain in bonded warehouse shall not exceed three years from the date of importation. Merchandise upon which the duties have been paid and which shall have remained continuously in bonded warehouse or otherwise in the custody

and under the control of customs officers, may be entered or withdrawn at any time within three years after the date of importation for exportation or for transportation and exportation to a foreign country, or for shipment or for transportation and shipment to the Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, *Johnston Island*, or the island of Guam, under such regulations as the Secretary of the Treasury shall prescribe, and upon such entry or withdrawal, and exportation or shipment, the duties thereon shall be refunded.

* * * * *

SEC. 562. MANIPULATION IN WAREHOUSE.

Unless by special authority of the Secretary of the Treasury, no merchandise shall be withdrawn from bonded warehouse in less quantity than an entire bale, cask, box, or other package; or, if in bulk, in the entire quantity imported or in a quantity not less than one ton weight. All merchandise so withdrawn shall be withdrawn in the original packages in which imported unless, upon the application of the importer, it appears to the collector that it is necessary to the safety or preservation of the merchandise to repack or transfer the same: *Provided*, That upon permission therefor being granted by the Secretary of the Treasury, and under customs supervision, at the expense of the proprietor, merchandise may be cleaned, sorted, repacked, or otherwise changed in condition, but not manufactured, in bonded warehouses established for that purpose and be withdrawn therefrom for exportation to a foreign country or for shipment to the Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, *Johnston Island*, or the island of Guam, without payment of the duties, or for consumption, upon payment of the duties accruing thereon, in its condition and quantity, and at its weight, at the time of withdrawal from warehouse, with such additions to or deductions from the final appraised value as may be necessary by reason of change in condition. The basis for the assessment of duties on such merchandise so withdrawn for consumption shall be the adjusted final appraised value, and if the rate of duty is based upon or regulated in any manner by the value of the merchandise, such rate shall be based upon or regulated by such adjusted final appraised value. The scouring or carbonizing of wool shall not be considered a process of manufacture within the provisions of this section. Under such regulations as the Secretary of the Treasury shall prescribe, imported merchandise which has been entered and which has remained in continuous customs custody may be manipulated in accordance with the provisions of this section under customs supervision and at the risk and expense of the consignee, but elsewhere than in a bonded warehouse, in cases where neither the protection of the revenue nor the proper conduct of customs business requires that such manipulation be done in a bonded warehouse.

SECTION 401 (a) OF THE ANTISMUGGLING ACT

TITLE IV

SECTION 401. When used in this Act—

(a) The term "United States", when used in a geographical sense, includes all Territories and possessions of the United States, except the Philippine Islands, the Virgin Islands, the Canal Zone, American Samoa, Wake Island, Midway Islands, Kingman Reef, *Johnston Island*, and the island of Guam.

TITLE 18 OF THE UNITED STATES CODE

SEC. 542. ENTRY OF GOODS BY MEANS OF FALSE STATEMENTS.

Whoever enters or introduces, or attempts to enter or introduce, into the commerce of the United States any imported merchandise by means of any fraudulent or false invoice, declaration, affidavit, letter, paper, or by means of any false statement, written or verbal, or by means of any false or fraudulent practice or appliance, or makes any false statement in any declaration without reasonable cause to believe the truth of such statement, or procures the making of any such false statement as to any matter material thereto without reasonable cause to believe the truth of such statement, whether or not the United States shall or may be deprived of any lawful duties; or

Whoever is guilty of any willful act or omission whereby the United States shall or may be deprived of any lawful duties accruing upon merchandise embraced or referred to in such invoice, declaration, affidavit, letter, paper, or statement, or affected by such act or omission—

Shall be fined for each offense not more than \$5,000 or imprisoned not more than two years, or both.

Nothing in this section shall be construed to relieve imported merchandise from forfeiture under other provisions of law.

The term "commerce of the United States", as used in this section, shall not include commerce with the Philippine Islands, Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, *Johnston Island*, or Guam.

* * * * *

SEC. 544. RELANDING OF GOODS.

If any merchandise entered or withdrawn for exportation without payment of the duties thereon, or with intent to obtain a drawback of the duties paid, or of any other allowances given by law on the exportation thereof, is relanded at any place in the United States without entry having been made, such merchandise shall be considered as having been imported into the United States contrary to law, and each person concerned shall be fined not more than \$5,000 or imprisoned not more than two years, or both; and such merchandise shall be forfeited.

The term "any place in the United States", as used in this section, shall not include the Philippine Islands, Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, *Johnston Island*, or Guam.

SEC. 545. SMUGGLING GOODS INTO THE UNITED STATES.

Whoever knowingly and willfully, with intent to defraud the United States, smuggles, or clandestinely introduces into the United States any merchandise which should have been invoiced, or makes out or passes, or attempts to pass, through the customhouse any false, forged, or fraudulent invoice, or other document or paper; or

Whoever fraudulently or knowingly imports or brings into the United States, any merchandise contrary to law, or receives, conceals, buys, sells, or in any manner facilitates the transportation, concealment, or sale of such merchandise after importation, knowing the same to have been imported or brought into the United States contrary to law—

Shall be fined not more than \$10,000 or imprisoned not more than five years, or both.

Proof of the defendant's possession of such goods, unless explained to the satisfaction of the jury, shall be deemed evidence sufficient to authorize conviction for violation of this section.

Merchandise introduced into the United States in violation of this section, or the value thereof, to be recovered from any person described in the first or second paragraph of this section, shall be forfeited to the United States.

The term "United States", as used in this section, shall not include the Philippine Islands, Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, *Johnston Island*, or Guam.



Calendar No. 695

84TH CONGRESS
1ST SESSION

H. R. 5560

[Report No. 690]

IN THE SENATE OF THE UNITED STATES

JUNE 24, 1955

Read twice and referred to the Committee on Finance

JUNE 29, 1955

Reported by Mr. JOHNSON of Texas (for Mr. BYRD), with an amendment

[Omit the part struck through and insert the part printed in *italic*]

AN ACT

Relating to the free importation of personal and household effects brought into the United States under Government orders, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That (a) the Act of June 27, 1942, entitled "An Act to
4 exempt from duty personal and household effects brought
5 into the United States under Government orders", as amended
6 (U. S. C., title 50 App., secs. 801 and 802), is hereby
7 amended to read as follows: "That under regulations to be
8 prescribed by the Secretary of the Treasury, after consulta-
9 tion with such agencies as he shall consider to be substantially
10 interested, the personal and household effects (with such

1 limitation on the importation of alcoholic beverages and
 2 tobacco products as the Secretary may prescribe) of any
 3 person in the service of the United States who returns to the
 4 United States upon the termination of assignment to ex-
 5 tended duty (as defined in the above-authorized regulations)
 6 at a post or station outside the customs territory of the
 7 United States, or of returning members of his family who
 8 have resided with him at such post or station, or of any person
 9 evacuated to the United States under Government orders or
 10 instructions, may be brought into customs territory of the
 11 United States without the payment of any duty or tax im-
 12 posed upon, or by reason of, importation.”

13 ~~(b) The amendment made by subsection (a) shall be~~
 14 ~~effective on and after July 1, 1955.~~

15 *(b) The amendment made by subsection (a) shall be*
 16 *effective with respect to articles entered for consumption or*
 17 *withdrawn from warehouse for consumption on or after July*
 18 *1, 1955, and before July 1, 1958.*

19 SEC. 2. (a) The following provisions of the Tariff Act
 20 of 1930, as amended, are hereby amended by inserting
 21 “Johnston Island,” immediately after “Kingman Reef,” each
 22 place it appears therein:

23 (1) That part of section 1 which precedes schedule
 24 1 (19 U. S. C., sec. 1001).

1 (2) That part of section 201 which precedes sched-
2 ule 16 (19 U. S. C., sec. 1201) .

3 (3) Section 401 (k) (19 U. S. C., sec. 1401 (k)) .

4 (4) Section 557 (a) (19 U. S. C., sec. 1557 (a)) .

5 (5) Section 562 (19 U. S. C., sec. 1562) .

6 (b) Section 401 (a) of the Anti-Smuggling Act, as
7 amended (19 U. S. C., sec. 1709 (a)) , is hereby amended
8 by inserting "Johnston Island," immediately after "King-
9 man Reef,".

10 (c) Sections 542, 544, and 545 of title 18 of the United
11 States Code are hereby amended by inserting "Johnston
12 Island," immediately after "Kingman Reef," each place it
13 appears therein.

14 (d) The amendments made by this section shall take
15 effect on the day following the day on which this Act is
16 enacted.

Passed the House of Representatives June 23, 1955.

Attest:

RALPH R. ROBERTS,

Clerk.

[Report No. 690]

AN ACT

Relating to the free importation of personal and household effects brought into the United States under Government orders, and for other purposes.

JUNE 24, 1955

Read twice and referred to the Committee on Finance

JUNE 29, 1955

Reported with an amendment

H. R. 5560

(H.R. 5560)

AN ACT

TO AMEND THE ACT
TO PROVIDE FOR THE
ESTABLISHMENT OF
A NATIONAL SYSTEM
OF PUBLIC LIBRARIES
AND TO PROVIDE
FOR THE ESTABLISHMENT
OF A NATIONAL
SYSTEM OF PUBLIC
LIBRARIES

wherever possible in the foreign assistance program (pp. 8270-1). By a vote of 181 to 51, agreed to an amendment by Rep. Bonner to delete language exempting the shipping of surplus agricultural commodities from the requirement that at least fifty percent must be shipped in American ships (pp. 8256-65). The committee amendment to exempt Public Law 480 shipments from this requirement was ruled out of order (as not being germane) on a point of order raised by Rep. Mills (p. 8272). House conferees were appointed. Senate conferees have not yet been appointed. (pp. 8218-39, 8242-75).

3. WATER RESOURCES. Both Houses received the Hoover Commission report on water resources and power (H. Doc. 208) (pp. 8156-7, 8287).
4. PAPERWORK. Both Houses received the Hoover Commission report on paperwork management (H. Doc. 207) (pp. 8156, 8287).
5. ORGANIZATION. Both Houses received the final report of the Hoover Commission (H. Doc. 209) (pp. 8157, 8287).
6. FORESTS. Rep. Johnson, Wis., inserted several resolutions adopted by the Western Association of State Game and Fish Commissioners urging consideration of funds for revegetating the western ranges with browse species; funds for recreational facilities in national forests; regulation of forest-mining procedures; management of game on Federal lands; protesting the disposal of Bankhead-Jones lands; public ownership of forest lands in Arizona; and regulation of water resources and power sites in Western States (pp. 8279-80).
7. WILDLIFE. Rep. Johnson, Wis., inserted several resolutions adopted by the Western Association of State Game and Fish Commissioners urging consideration of H. R. 6502, which would allocate certain funds for Federal aid to States for wildlife preservation (p. 8279).
8. FINANCE. Rep. Patman inserted several newspaper articles relating to credit activities controlled by the Federal Treasury and suggested that the Treasury's measures were to the detriment of the farmer (pp. 8282-6).
9. INFORMATION. Received a draft of proposed legislation from the United States Information Agency to amend the United States Information and Educational Exchange Act of 1948 (p. 8287).

SENATE

10. DEFENSE PRODUCTION. The Banking and Currency Committee reported with amendments S. 2391, to extend the Defense Production Act for 2 years (S. Rept. 696) (p. 8159).
11. PUBLIC WORKS. The Armed Services Committee reported with amendment H. R. 6829, to authorize certain construction at military, naval, and Air Force installations, which includes a revision of the provision for financing certain military housing in foreign countries through the furnishing of surplus agricultural commodities (S. Rept. 694) (p. 8159). This bill was made the unfinished business (p. 8207).
12. PERSONNEL. Passed as reported H. R. 5560, to make permanent the existing privilege of free importation of personal and household effects brought into the U. S. under Government orders (pp. 8176-7). Later in the day the House agreed to the Senate amendments (pp. 8241-2). This bill will now be sent to the President.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 1, 1955
For actions of June 30, 1955
84th-1st, No. 111

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HIGHLIGHTS: Both Houses passed bill to provide temporary appropriations (including ACP item) and to provide for increased pay costs. House passed mutual security bill. Both Houses received Hoover Commission reports on water resources and power, paperwork management, Pt. 2, and final report. Senate committee reported bill to extend Defense Production Act. Senate passed bill to extend public debt limit. House received conference report on State, Justice appropriation bill.

HOUSE

1. **APPROPRIATIONS.** Both Houses passed H. J. Res 366, to authorize transfer of unobligated balances as of June 30, 1955, for retroactive 1955 costs of the Federal Employees Salary Increase Act of 1955, to make indefinite appropriations for this purpose to the extent that the unobligated balances are insufficient, and to provide temporary appropriations for those agencies for which the 1956 appropriations have not yet been enacted (pp. 8202-3, 8240-1). This measure is now ready for the President.

Both Houses agreed to the conference report on H. R. 6042, the Defense Department appropriation bill (pp. 8154-5, 8212-8). This bill is now ready for the President.

Both Houses agreed to the conference report on H. R. 6239, the D. C. appropriation bill (pp. 8151-6, 8218). This bill is now ready for the President.

Received the conference report on H. R. 5502, the State, Justice, and Judiciary appropriation bill (H. Rept. 1043) (pp. 8276-8).

2. **FOREIGN AID.** Passed with amendments S. 2090, the mutual security aid bill (pp. 8218-39, 8242-75). Agreed to an amendment by Rep. Vorys to provide that the sense of Congress shall be that loans should be made rather than grants

Mutual Security programs, \$200,000,000, to be expended in accord with provisions of law applicable to such programs during the fiscal year 1955 and at a rate for any individual program not in excess of the current rate therefor: *Provided*, That administrative expenses for such programs shall not exceed the current rate.

Sec. 102. Appropriations and funds made available and authority granted pursuant to this title shall remain available until (a) enactment into law of an appropriation for any project or activity provided for in this title, or (b) enactment of the applicable appropriation act by both Houses without any provisions for such project or activity, or (c) July 31, 1955, whichever first occurs.

Sec. 103. Appropriations and funds made available and authority granted pursuant to this title may be used without regard to the time limitations set forth in subsection (d) (2) of section 3679, Revised Statutes, and expenditures, therefrom shall be charged to the applicable appropriation, fund, or authorization whenever a bill in which such applicable appropriation, fund, or authorization is contained is enacted into law.

Sec. 104. No appropriation or fund made available or authority granted pursuant to this title shall be used to initiate or resume any project or activity which was not being conducted during the fiscal year 1955. Appropriations made and authority granted pursuant to this title shall cover all obligations or expenditures incurred for any project or activity during the period for which funds or authority for such project or activity are available under this title.

TITLE II—INCREASED PAY COSTS

For costs in the fiscal year 1955 of pay increases granted by or pursuant to Public Laws 68 and 94, Eighty-fourth Congress, for any branch of the Federal Government or the municipal government of the District of Columbia, such amounts as may be necessary, to be determined and made available as hereinafter provided in this title, but no appropriation, fund, or authorization may be increased pursuant to the provisions of this title in an amount in excess of the cost to such appropriation, fund, or authorization of increased compensation pursuant to Public Laws 68 and 94, Eighty-fourth Congress.

Sec. 202. Any officer having administrative control of an appropriation, fund, or authorization properly chargeable with the costs in the fiscal year 1955 of pay increases granted by or pursuant to Public Laws 68 and 94, Eighty-fourth Congress, is authorized to transfer thereto, from the unobligated balance of any other appropriation, fund, or authorization under his administrative control and expiring for obligation on June 30, 1955, such amounts as may be necessary for meeting such costs.

Sec. 203. Whenever any officer referred to in section 202 of this title shall determine that he has exhausted the possibilities of meeting the cost of pay increases through the use of transfers as authorized by said section, he shall certify the additional amount required to meet such costs for each appropriation, fund, or authorization under his administrative control, and the amounts so certified shall be added to the pertinent appropriation, fund, or authorization for the fiscal year 1955: *Provided*, That any transfer under the authority of section 202 or any certification made under the authority of this section by an officer in or under the executive branch of the Federal Government shall be valid only when approved by the Director of the Bureau of the Budget.

Sec. 204. For the purposes of the transfers and certifications authorized by sections 202 and 203 of this title, the following officers shall be deemed to have administrative control of appropriations, funds, or authorizations available within their respective organizational units—

(a) For the legislative branch:
The Clerk of the House;
The Secretary of the Senate;
The Librarian of Congress;
The Architect of the Capitol;
The Public Printer;
The Comptroller General of the United States;

The Chairman of any commission in or under the legislative branch.

(b) For the judiciary:
The Administrative Officer of the United States Courts.

(c) For the executive branch:
The head of each department, agency, or corporation in or under the executive branch.

(d) For the municipal government of the District of Columbia:
The Board of Commissioners of the District of Columbia.

Sec. 205. Obligations or expenditures incurred for costs in the fiscal year 1955 of pay increases granted by or pursuant to Public Laws 68 and 94, 84th Congress, shall not be regarded or reported as violations of section 3679 of the Revised Statutes, as amended (31 U. S. C. 665).

Sec. 206. (a) Amounts made available by this title shall be derived from the same source as the appropriation, fund, or authorization to which such amounts are added.

(b) Appropriations made by, and transfers made pursuant to, this title shall be recorded on the books of the Government as of June 30, 1955: *Provided*, That no appropriation made by this title shall be warranted, and no transfer authorized by this title shall be made, after August 15, 1955.

(c) A complete report of the appropriations and transfers made by or pursuant to this title shall be made, not later than September 15, 1955, by the officers described in section 204, to the Director of the Bureau of the Budget, who shall compile and transmit to the Congress a consolidated report not later than October 15, 1955.

Mr. CANNON. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CANNON as a committee amendment: On page 2, strike out lines 13 and 14.

Mr. CANNON. Mr. Speaker, this amendment is made necessary by agreement today in both the House and the Senate on the conference reports on the Department of Defense Appropriation Act and the District of Columbia Appropriation Act. The resolution is no longer applicable to these bills and reference to them should be eliminated. I ask for a vote on the amendment.

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LEGISLATIVE BRANCH APPROPRIATION BILL, 1956

Mr. NORRELL, from the Committee on Appropriations, reported the bill (H. R. 7117), making appropriations for the legislative branch for the fiscal year ending June 30, 1956, and for other purposes (Rept. No. 1036), which was read a first and second time, and, with the accompanying papers, referred to the

Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. HORAN reserved all points of order on the bill.

DIVERSION OF WATER FROM LAKE MICHIGAN

Mr. MADDEN, from the Committee on Rules, reported the following privileged resolution (H. Res. 293, Rept. No. 1037), which was referred to the House Calendar and ordered to be printed.

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3210) to authorize the State of Illinois and the Sanitary District of Chicago, under the direction of the Secretary of the Army, to test, on a 3-year basis, the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto for final passage without intervening motion except one motion to recommit.

PRINTING OF PROCEEDINGS DURING RECESS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the proceedings that took place during the recess may be printed in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

FREE IMPORTATION OF PERSONAL AND HOUSEHOLD EFFECTS BROUGHT IN UNDER GOVERNMENT ORDERS

Mr. COOPER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 5560) relating to the free importation of personal and household effects brought into the United States under Government orders, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, strike out lines 13 and 14 and insert:

"(b) The amendment made by subsection (a) shall be effective with respect to articles entered for consumption or withdrawn from warehouse for consumption on or after July 1, 1955, and before July 1, 1958."

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

(Mr. COOPER asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. COOPER. Mr. Speaker, when H. R. 5560 passed the House it provided permanent authority for the duty-free importation of personal and household effects brought into the United States under Government orders. I explained the provisions of this bill in my remarks on June 23, 1955, when it was considered by the House.

Briefly, this legislation has been in effect on a temporary basis since 1942, and under present law it is scheduled to expire today. The Department of Defense requested that the legislation be made permanent.

In making this authority permanent, our committee adopted an amendment which limited the duty-free privilege, under regulations to be prescribed by the Treasury Department, to persons in the service of the United States who return to this country upon the termination of an assignment of extended duty outside the country. The committee also was advised by the Treasury Department that in the administration of this law, the Department would ordinarily limit importations of liquor and tobacco products to the amount which may now be imported duty-free by returning United States residents who have made a trip abroad.

The only amendment adopted by the Senate is to make the House bill effective for a period of 3 years, instead of its becoming permanent legislation as passed by the House.

(Mr. JENKINS asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. JENKINS. Mr. Speaker, I wish to state that the matter to which the gentleman from Tennessee [Mr. COOPER] has referred has met the unanimous approval of the members of the Ways and Means Committee. It is a matter of some urgency and should be approved by the House today.

The Senate amendment was concurred in, and a motion to reconsider was laid on the table.

MUTUAL SECURITY ACT OF 1955

Mr. RICHARDS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (S. 2090) to amend the Mutual Security Act of 1954, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, S. 2090, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

Mr. BYRNES of Wisconsin. Mr. Chairman, I move to strike out the last word.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman.

Mr. RICHARDS. I ask unanimous consent that debate on this section close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

Mrs. CHURCH. Mr. Chairman, reserving the right to object, may I ask the chairman whether he is referring to section 6 or section 7.

Mr. RICHARDS. Section 6.

Mrs. CHURCH. Mr. Chairman, I withdraw my reservation of objection. I wish to speak on section 7.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. BYRNES of Wisconsin. Mr. Chairman, it is not my intention to take all of 5 minutes. I rise, however, to seek certain information that I was not able to find either in the majority or the minority report on this bill. It relates to the matter of unexpended balances.

I wonder if the chairman could advise me, or some other member of the committee could advise me, whether there is any breakdown of the unobligated balances.

I think the chairman of the committee will recall that last year when we considered the mutual security appropriation bill a considerable point was made by the Committee on Appropriations as to the bookkeeping of this agency and the inability to determine what funds were obligated and what were not. At that time we were advised that the Comptroller was going to go into a thorough study of the bookkeeping and general operation of these funds. I am wondering now if the chairman as the result of the work of the past year is able to tell us what the status is of this \$8 billion that is listed as unexpended. What part of that is unobligated?

Mr. RICHARDS. I would say to the gentleman that I agree with his dissatisfaction with regard to the bookkeeping. I think there has been some improvement. The latest overall unexpended balance we have is \$8,717,000,000, that is the latest and best figure we can get. In the report on page 11 is a breakdown of the unexpended balance of military funds as near as we could get this information when the report was written.

Mr. BYRNES of Wisconsin. Do I correctly understand from the chairman that this unexpended balance is also unobligated?

Mr. RICHARDS. No.

Mr. BYRNES of Wisconsin. That is the point I am trying to make. I was wondering what part of that is obligated and what part of it is unobligated.

Mr. RICHARDS. It has been variously estimated. The best figure we could get at first was that it was \$200 million. The best figure we can get now is that it is \$670 million.

Mr. BYRNES of Wisconsin. It is all obligated except \$600 million?

Mr. RICHARDS. That is right. That is the difference between the two.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Minnesota.

Mr. JUDD. Is it not true that at the beginning of our hearing those in charge

of this program said they thought they were going to be able to get all but \$100 million obligated before June 30. But later they said that in order to meet the requirements of certain amendments in the appropriation bill they could not make the target without being reckless in their making of obligations. They said the unobligated amount might be \$600 million. They told us this frankly. We asked them not to go ahead and obligate funds for programs they were not absolutely sure of. They had general plans for those programs but they were not sufficiently firm so they could nail them down in a contract.

Mr. BYRNES of Wisconsin. I do not think it is to their credit that they necessarily have it all obligated. I believe last year one of the criticisms that was made was that in the last month of the fiscal year they tried to get everything obligated they possibly could in order to make it look as though there was not any carryover this Congress could work its will on.

Mr. RICHARDS. That is right.

Mr. JUDD. I agree. The gentleman will recall that in order to avoid improper last-minute obligations, we put an amendment in the bill last year that not more than 25 percent could be obligated in the last 2 months of the fiscal year. They played it straight with us this year, I think.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Ohio.

Mr. VORYS. I have been informed in the last few minutes that the amount of unobligated funds is not \$600-some-odd millions but has been reduced to about \$200 million, because the Bureau of the Budget has within the last day or so apportioned to defense the \$420 million which they had been holding, and that will be reserved for defense.

(Mr. JENSEN asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. JENSEN. Mr. Chairman, for the third day I have listened with great interest to the debate on this foreign-aid bill now before the House.

I have read the bill and the report which accompanies the bill and which explains the committee's action.

While I favor the expenditure of funds for some of the items for this bill which totals \$3,285,800,000, I must express my opposition to the giving of our taxpayers dollars to such countries as India and Yugoslavia, because certainly the rulers of those countries have shown very little if any signs for many, many years, that they believe in us, or in our American way of doing things. Truth is they have shown too often by their words and deeds that they believe in the exact opposite. While the amounts requested in this bill for these countries are small comparatively speaking, still I have strong misgivings in further attempts to buy their friendship with American dollars.

Also, Mr. Chairman, there remains in the FOA coffers unexpended, approximately \$8 billion from previously appropriated funds, of course they claim that all but \$600 million plus is unobli-

to by reason of the enactment of this act as of the date of the death of her husband, William Thomas Ray.

DR. LOUIS J. SEBILLE

The bill (H. R. 989) for the relief of Dr. Louis J. Sebille was considered, ordered to a third reading, read the third time, and passed.

T. C. ELLIOTT

The bill (H. R. 2479) for the relief of T. C. Elliott was considered, ordered to a third reading, read the third time, and passed.

E. S. BERNEY

The bill (H. R. 3194) for the relief of E. S. Berney was considered, ordered to a third reading, read the third time, and passed.

JOHN LLOYD SMELCER

The bill (H. R. 3271) for the relief of John Lloyd Smelcer was considered, ordered to a third reading, read the third time, and passed.

HAROLD SWARTHOUT AND L. R. SWARTHOUT

The Senate proceeded to consider the bill (S. 476) for the relief of Harold Swarthout and L. R. Swarthout, which had been reported from the Committee on the Judiciary with an amendment. On page 1, line 10, after the word "April", to strike out "2" and insert "3", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, (1) to Harold Swarthout the sum of \$10,000, in full satisfaction of the claim of the said Harold Swarthout against the United States for compensation for permanent injuries sustained as a result of the severe burns he received when an Army practice bomb that he was examining, while playing in the yard of a neighbor on April 3, 1943, exploded when accidentally dropped, and (2) to L. R. Swarthout, of Burns, Oreg., father of the said Harold Swarthout, the sum of \$4,625.20, in full satisfaction of his claim against the United States for reimbursement of medical, nursing, hospital, and other expenses incurred by him on account of the injuries so sustained by the said Harold Swarthout: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PAUL E. MILWARD

The Senate proceeded to consider the bill (H. R. 1745) for the relief of Paul E.

Milward, which had been reported from the Committee on the Judiciary with an amendment on page 1, at the beginning of line 11, to strike out "That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any persons violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000," and in lieu thereof to insert "That Paul E. Milward executes a release of the judgment entered in the case of Paul Milward against Peter C. Penta, No. 175385, in the municipal court of the city of Boston, on or about January 6, 1953: *And provided further*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any persons violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

TENNESSEE C. BATTS

The Senate proceeded to consider the bill (H. R. 2769) for the relief of Tennessee C. Batts, which had been reported from the Committee on the Judiciary with an amendment on page 2, line 10, after the word "refund", to insert a colon and the following proviso:

Provided, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

RODOLFO C. DELGADO, JESUS M. LAGUA, AND VINCENT D. REYNANTE

The Senate proceeded to consider the bill (H. R. 3363) for the relief of Rodolfo C. Delgado, Jesus M. Lagua, and Vincent D. Reynante, which had been reported from the Committee on the Judiciary with an amendment on page 2, line 7, after the word "Act", to strike out "in excess of 10 percent of any claim."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

ERNEST B. SANDERS

The Senate proceeded to consider the bill (S. 415) for the relief of Ernest B. Sanders, which had been reported from the Committee on the Judiciary with amendments on page 1, line 6, after the word "of", where it appears the second time, to strike out "\$25,000" and insert "\$15,000", and on page 2, line 2, after the word "Act", to strike out "in excess of 10 percent thereof", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ernest B. Sanders, of Miami, Fla., the sum of \$15,000, in full and final settlement of all claims against the United States for personal injuries, pain and suffering, permanent disability, and loss of earnings sustained by him and resulting from an accidental and improper division of or injury to an artery while he was a patient in the United States Marine Hospital at Savannah, Ga., during March of 1933: *Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EXTENSION OF INCREASE IN PUBLIC DEBT LIMIT—BILL TEMPORARILY PASSED OVER

The bill (H. R. 6992) to extend for 1 year the existing temporary increase in the public debt limit was announced as next in order.

THE PRESIDING OFFICER. Is there objection to the present consideration of the bill?

MR. JOHNSON of Texas. Mr. President, I shall shortly move that the Senate proceed to the consideration of the bill. I ask unanimous consent that it go over for the present.

THE PRESIDING OFFICER. Without objection, the bill will be temporarily passed over.

HIGHWAY CONSTRUCTION CO. OF OHIO, INC.

The Senate proceeded to consider the bill (H. R. 4182) for the relief of the Highway Construction Co. of Ohio, Inc., which had been reported from the Committee on Finance with an amendment on page 1, line 10, after the word "amended", to strike out "Provided, That the suit authorized hereunder shall be instituted within 90 days after the date of enactment of this act: *Provided further*, That the passage of this act

shall not be construed as an inference of liability on the part of the Government of the United States" and in lieu thereof, to insert "Provided, That in making such determination of the excessive profits of the Highway Construction Co., the Tax Court of the United States may take into consideration the affiliation of that company with any other company, but the findings of such court shall be limited to determining only the amount, if any, of the excessive profits of the Highway Construction Co. and such court shall have no authority under this act to determine the amount, if any, of the excessive profits of any company affiliated with such Highway Construction Co.: *Provided further*, That the Tax Court shall have jurisdiction to determine the excessive profits of the Highway Construction Co. under this act only if such company files a petition with such court for redetermination within 90 days (not counting Sunday or a legal holiday in the District of Columbia as the last day) after the date of enactment of this act."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

FREE IMPORTATION OF PERSONAL AND HOUSEHOLD EFFECTS UNDER GOVERNMENT ORDERS — BILL TEMPORARILY PASSED OVER

The bill (H. R. 5560) relating to the free importation of personal and household effects brought into the United States under Government orders, and for other purposes, was announced as next in order.

Mr. JOHNSON of Texas. Mr. President, I shall shortly move that the Senate proceed to the consideration of this bill. I ask that it be temporarily passed over.

The PRESIDING OFFICER. Without objection, the bill will be passed over temporarily.

HIGHWAY MODERNIZATION IN CONNECTICUT

The Senate proceeded to consider the bill (S. 1577) to enable the State of Connecticut to proceed with its program of highway modernization, which had been reported from the Committee on Public Works with an amendment to strike out all after the enacting clause and insert:

That section 2 of the act approved August 7, 1939 (53 Stat. 1234), entitled "An act granting the consent of Congress to the State of Connecticut, acting by and through any agency or commission thereof, to construct, maintain, and operate a toll bridge across the Connecticut River at or near Hartford, Conn.," and section 2 of the act approved April 24, 1946 (60 Stat. 122), entitled "An act granting the consent of Congress to the State of Connecticut, acting by and through any agency or commission thereof, to construct, maintain, and operate a toll bridge across the Connecticut River at or near Old Saybrook, Conn.," are each amended to read as follows:

"SEC. 2. The last sentence of section 4 of such act of March 23, 1906, shall not be appli-

cable to the bridge constructed pursuant to the provisions of this act."

SEC. 2. Nothing in this act shall be construed as amending any provision of existing Federal law relating to the expenditure of Federal-aid highway funds.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to amend the acts granting the consent of Congress to the State of Connecticut, acting by and through any agency or commission thereof, to construct, maintain, and operate toll bridges across the Connecticut River."

ESTABLISHMENT OF COMMON BOUNDARY OF STATES OF MARYLAND AND DELAWARE

The bill (S. 987) to authorize the Secretary of Commerce, acting through the Coast and Geodetic Survey, to assist the States of Maryland and Delaware to establish their common boundary was announced as next in order.

Mr. HRUSKA. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The Secretary will state the amendment.

The LEGISLATIVE CLERK. In line 8, after the word "resurvey", it is proposed to strike out "the common boundary between the States of Maryland and Delaware" and insert "that part of the common boundary running generally north and south between the States of Maryland and Delaware which was originally surveyed and marked by Charles Mason and Jeremiah Dixon in the years 1763-1767."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. HRUSKA].

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of Commerce, acting through the Coast and Geodetic Survey, is authorized and directed, upon the joint request of (1) the Board of Natural Resources of the State of Maryland, and (2) the State Archivist and the Chief Engineers of the Highway Department of the State of Delaware, to resurvey that part of the common boundary running generally north and south between the States of Maryland and Delaware which was originally surveyed and marked by Charles Mason and Jeremiah Dixon in the years 1763-1767.

The PRESIDING OFFICER. That completes the call of the calendar.

FREE IMPORTATION OF PERSONAL AND HOUSEHOLD EFFECTS UNDER GOVERNMENT ORDERS

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of order 695, H. R. 5560.

The PRESIDING OFFICER. The secretary will state the bill by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 5560) relating to the free importation of personal and household effects brought into the United States under Government orders, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Finance with an amendment on page 2, after line 12, to strike out:

(b) The amendment made by subsection (a) shall be effective on and after July 1, 1955.

And in lieu thereof to insert:

(b) The amendment made by subsection (a) shall be effective with respect to articles entered for consumption or withdrawn from warehouse for consumption on or after July 1, 1955, and before July 1, 1958.

The amendment was agreed to.

Mr. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD at this point an explanation of the bill.

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

EXPLANATION OF H. R. 5560, TO PERMIT THE FREE ENTRY OF PERSONAL AND HOUSEHOLD EFFECTS OF CITIZENS RETURNING FROM EXTENDED FOREIGN ASSIGNMENTS

In 1942 the Congress recognized the hardship that might be imposed on military and civilian personnel by requiring that they pay duty on personnel and household goods which they had used while living abroad, and adopted a law permitting the free importation of those goods. That law expired upon the day following the proclamation of peace by the President. However, Congress then extended the law until April 1, 1953, and it was again extended until July 1, 1955.

The House felt that this privilege of free importation should be made permanent. However, the Finance Committee, aware that there will be large numbers of military and civilian personnel abroad for some time to come, nevertheless sees the possibility of abuse and felt that it should occasionally review this free-entry privilege. Congress has relinquished a great deal of its tariff-making responsibility and in cases where abuses can arise it was felt advisable to take the little time necessary to see that the law is operating properly. The bill does prevent some abuses, by requiring that the person returning must have been on extended foreign assignment and it limits the amount of liquor and tobacco products that can be brought in.

I have been informed that the Ways and Means Committee concurs in the amendment made by the Finance Committee limiting the period of this free entry to 3 years.

The bill also gives American personnel located on Johnston Island in the Pacific the same privileges granted to personnel situated on Midway, Wake Island, and other locations in that area.

The Department of Defense has asked for this bill, and the committee has encountered no objection from any source.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill (H. R. 5560) was read the third time and passed.

EXTENSION OF INCREASE IN PUBLIC DEBT LIMIT

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 693, H. R. 6992.

The PRESIDING OFFICER. The Secretary will state the bill by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 6992) to extend for 1 year the existing temporary increase in the public debt limit.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. JOHNSON of Texas. Mr. President, the distinguished Senator from Nevada [Mr. MALONE] desires to be on the floor before the bill is discussed. Therefore, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum called be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNWILLINGNESS OF NATIONAL LABOR RELATIONS BOARD TO DEAL WITH CERTAIN LABOR-MANAGEMENT DISPUTES IN THE HOTEL INDUSTRY

Mr. DOUGLAS. Mr. President, I have recently been concerned over the apparent unwillingness of the National Labor Relations Board to deal with certain labor-management disputes in the hotel industry that have resulted in costly and long-continued strikes and have had a serious impact on interstate commerce.

The most recent example of this is in Miami and Miami Beach, Fla., where 3,000 persons are still reported to be out on strike following the refusal of the hotel managements to deal with their organizational representatives.

The reported policy under which the NLRB refuses to act to resolve this kind of representation dispute seems to me contrary to the stated purposes of the Labor-Management Relations Act of 1947.

Accordingly, Mr. President, I addressed a letter to NLRB Chairman Guy Farmer on June 16, 1955, questioning the Board's policy in refusing jurisdiction in all hotel cases and indicating that I hoped that disputes of the magnitude of the current controversies in Florida would not be left to the "law of the jungle" for their solution and that the Board would reconsider its policy on the hotel industry.

I have received a reply from Chairman Farmer which relates the history and enclosed several copies of the Board's decisions, but still does not, in my opinion, justify them adequately. I note in passing—for such encouragement as it may give—that he says the Board will, as in all cases, carefully reexamine its policy in any specific case that may be filed.

I have also received a reply from Board Member Abe Murdock, to whom, with all other Board members, I had sent a copy of my letter to the chairman. Mr. Murdock's reply briefly outlines his previously stated grounds for dissenting from the Board's policy. In my opinion, he states the sound position on this issue. He also calls attention to the interesting fact that the Board's policy resulted in the most recent case in denying the Board's remedies to a hotel employer which had petitioned for relief—Caribe Hilton Hotel, May 6, 1955.

Because of the importance of this issue of the NLRB's jurisdiction over hotels and its bearing on future action in the Board, and possibly in Congress, I ask unanimous consent that my letter to Chairman Guy Farmer, and the replies of Chairman Farmer and Board member Abe Murdock, together with the NLRB opinions transmitted by Mr. Farmer, be printed at this point in the CONGRESSIONAL RECORD.

There being no objection, the letters and opinions were ordered to be printed in the RECORD, as follows:

NATIONAL LABOR RELATIONS BOARD,
Washington, D. C., June 24, 1955.
Hon. PAUL H. DOUGLAS,
United States Senate,
Washington, D. C.

DEAR SENATOR DOUGLAS: In reply to your letter of June 16 I am sending you herewith a copy of the decision of the Board dated January 17, 1951, in a case involving the Hotel Association of St. Louis. This is the most detailed statement of the Board's position since the creation of the Board in 1935 on the questions which you have raised. You will note that the Board members were divided in their views, with Chairman Herzog, Member Houston, and Member Styles voting not to exercise jurisdiction in the hotel industry, consistent with Board policy evolved early in the Board's history under the Wagner Act. Members Reynolds and Murdock dissented. The reasons pro and con are set forth in such detail in that decision that there is little that I can add now. Subsequent Board rulings involving hotels have been less detailed and have cited the St. Louis case. The most recent occasion on which the Board did so was last October in our decision in the Virgin Isles Hotel, Inc., case, a copy of which is also enclosed.

You will note that the petitioner in the St. Louis case was the International Union of Operating Engineers, AFL, which was the only party urging that the Board exercise jurisdiction. The employers and all the intervening labor organizations urged the Board not to exercise jurisdiction. The intervenors included the labor organizations predominant in the hotel industry and active now in connection with the Miami Beach hotel problem. At the oral argument before the Board on November 9, 1950, in the St. Louis case the representative of the intervenors said:

"Now the Hotel and Restaurant Employees International Union is opposed to the

Board's changing its position in regard to its jurisdiction in this industry. We have been, over a period of years, accustomed to dealing along the lines of those developed in the industry that do not require the assistance of the National Board.

"I say to you that if you have the industry representative and the major hotel representative or rather union representatives both say: We don't want you to take jurisdiction, why should you force upon such a large segment of the industry your services to the detriment of the industry, to the detriment of peaceful labor relations in the industry? You have much better need and greater demands upon the facilities of your Board than to force them upon an industry that doesn't require them.

"This seems to me to be a case on which you should apply your discretionary authority and limit your jurisdiction to where it will do the most good. You must of necessity. You have limitations upon your finances and staff. * * * (Transcript of official report of proceedings before the National Labor Relations Board, Nov. 9, 1950, pp. 52 to 62.)

The employers filed an elaborate brief in support of their contention that the Board should not exercise jurisdiction in the hotel industry. The brief reviewed the history of the problem, together with the legal and policy questions involved. At page 23 it states:

"The employers in the hotel industry see no necessity for the Board to assert jurisdiction over hotels. While employers in other industries have exercised their rights under the Labor Management Relations Act to utilize the services of the Board, both in representation cases and in unfair labor practice cases, no employer in the hotel industry has found it necessary or desirable to bring any case of any kind to the Board. In each of the few hotel cases which have been brought to the Board by others, the employers, as in the instant case, have opposed the Board's assertion of jurisdiction. This is understandable in view of the fact that labor relations in the hotel industry are well stabilized, adequately and satisfactorily handled by other existing machinery."

Because you asked for the case record which led to adoption of the Board's policy with respect to jurisdiction over hotels, I am enclosing herewith the transcript of the hearing held in the field in the St. Louis case, the transcript of the oral argument before the Board in Washington, and the exhibits and formal file containing all the briefs. This material has been stored in the Federal Records Center at Alexandria. When you no longer need this material please return it to me so that I can arrange to have it put in storage again for future reference.

In your study of this problem you may also wish to examine the transcript of the hearing conducted by subcommittees of the Committee on Education and Labor and of the Committee on Expenditures in the Executive Departments, House of Representatives, 80th Congress, 2d session, May 7, 1948, in which various representatives of the hotel industry and unions in the hotel industry urged that the Labor Management Relations Act, 1947, not be applied in the hotel industry.

With respect to your inquiry about the chances for Board reconsideration of the hotel jurisdiction policy, I can only advise you that as cases arise from time to time in all industries the Board reexamines its policies. Regional offices normally dismiss hotel cases without formal hearing, but dismissals of petitions for elections are subject to review by Board members upon

application of petitioners. As such cases come before the Board in the future, we shall, of course, give them our most careful consideration.

Sincerely yours,

GUY FARMER,
Chairman.

NATIONAL LABOR RELATIONS BOARD,
Washington, D. C., June 23, 1955.
The Honorable PAUL H. DOUGLAS,
United States Senate,
Washington, D. C.

DEAR SENATOR DOUGLAS: This will acknowledge receipt of the copy of your letter, dated June 16, addressed to Guy Farmer, Chairman of the National Labor Relations Board, with respect to the Board's policy of refusing to exercise jurisdiction in the hotel industry as such.

When I have seen whatever reply the Chairman or a majority of the Board decide to send you, I may wish to send you my views in greater detail. Meanwhile, I wish personally to advise you that I am in full agreement with your conclusion that there is no basis in the act for the exclusion by the Board of an entire industry, when such industry involves interstate commerce; and that I share your concern over a policy pursued by a majority of the Board which precludes it from using its facilities to deal with labor disputes in the hotel industry which may have a serious effect upon interstate commerce, such as you refer to in Miami and Miami Beach.

I might mention that the Board's policy not to assert jurisdiction over hotels in the 48 States dates back to an earlier period of limited budgets when the Board did not assert jurisdiction over local transit systems, the building and construction industry, and other enterprises deemed essentially local or not justifying the attention of the Board's limited personnel and funds. However, despite the more generous budgets under the Taft-Hartley Act and the Board's assumption of jurisdiction in building construction and other areas formerly neglected, the Board has continued its "hands-off" policy over the hotel industry in the 48 States. This issue first arose during my tenure as a Board member in *White Sulphur Springs Company* (85 N. L. R. B. 1487), in which former member Reynolds and I dissented from this policy and the refusal to take jurisdiction. Again, in *Hotel Association of St. Louis* (92 N. L. R. B. 1388), we likewise dissented from the majority policy, which the majority decision there indicates is based upon a tenuous fragment of post legislative history to support a conclusion that Congress never intended that the Board take jurisdiction of the hotel industry.

The present Board has not only adhered to the no-jurisdiction policy over the hotel industry in the 48 States, but has extended it to the Territories, despite the fact that the Board has traditionally asserted jurisdiction over hotels in the Territories and the District of Columbia because of its plenary jurisdiction in those areas. I was the lone dissenter from the refusal to take jurisdiction in the case last mentioned, *The Virgin Isles Hotel, Inc.* (110 NLRB No. 65). I likewise was the lone dissenter from the Board's very recent refusal to assert jurisdiction over the Caribe Hilton Hotel in Puerto Rico, which has a gross business of \$4 million per year. This was not a published decision, but a minute denying the employer's appeal from the Regional Director's dismissal of its RM position pursuant to the policy referred to. (Case 24-RM-34, Board action May 6, 1955.)

I share your concern that disputes of the magnitude of those involved in the Florida hotel situation be left to the "law of the jungle" for solution because of the failure of this Board to assert jurisdiction and the

absence of any State labor relations law. I would comment that this situation is merely one example of scores which have been created by the action of a majority of the present Board in adopting a new restrictive jurisdictional policy a year ago which removed countless employers and employees from the coverage of the act without regard to the fact that similar "no man's lands" were being created. In my basic dissent from this slash in the Board's jurisdiction in *Breeding Transfer Co.* (110 NLRB No. 64), I pointed out that there was no budgetary or other administrative justification for this cutback and that it was an invasion of the authority of Congress to decide on the proper allocation of power between the Federal Government and the States.

Sincerely yours,

ABE MURDOCK,
Member of the Board.

UNITED STATES OF AMERICA—BEFORE THE NATIONAL LABOR RELATIONS BOARD—IN THE MATTER OF HOTEL ASSOCIATION OF ST. LOUIS, EMPLOYER, AND INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCALS 2, 2A, 2B, 2C, AFL, PETITIONER—CASE NO. 14-RC-899

DECISION AND ORDER

Upon a petition duly filed, a hearing was held before Harry G. Carlson, hearing officer. The hearing officer's rulings made at the hearing are free from prejudicial error and are hereby affirmed. At the hearing, the employer moved to dismiss the petition on the ground, among others, that it is not engaged in commerce within the meaning of the act. For the reasons stated hereinafter, the motion is hereby granted.¹

On November 9, 1950, at Washington, D. C., the Board heard oral argument, in which all parties participated.²

Upon the record in this case, the Board finds:

THE BUSINESS OF THE EMPLOYER

The Hotel Association of St. Louis, is a voluntary association of 22 hotels located in St. Louis, Mo. Sixteen of the 22 hotels have designated the association as their agent for the purpose of collective bargaining.³ During 1949, the employer's members⁴ collectively did an aggregate business of over \$15 million. Of \$6,800,000 received from room rentals, over \$2,400,000 was received

¹ In view of our disposition of this matter, it is unnecessary to pass upon the validity of the other contentions of the employer as grounds for dismissal of the petition.

² As joint contractual representative, local joint executive board of the Hotel and Restaurant Employees International Alliance and Bartenders International League of America; Hotel and Restaurant Employees and Bartenders International Union; Waiters, Local No. 20; Waitresses, Local Union No. 249; Bartenders, Local Union No. 51; Cooks and Pastry Cooks, Local Union No. 26; Miscellaneous Hotel Employees, Local Union No. 430; Building Service Employees Union, Local 50 E; and International Brotherhood of Fireman and Oilers, Local No. 6, AFL, intervened and participated in the oral argument as well as the hearing. They are referred to below as the intervenors.

³ Those 16 hotels are: Jefferson, Lennox, Mayfair, Sheraton, Statler, Fairmont, Majestic, Warwick, Claridge, De Soto, Fairgrounds, Gatesworth, Kings-Way, Mark Twain, Melbourne, and Roosevelt. Four are members of interstate chains.

⁴ Consistent with well-established policy, we treat the association of 16 employers involved herein as a single enterprise and as the "employer" in passing upon this jurisdictional issue. See *Indianapolis Cleaners and Launderers Club* (87 NLRB No. 75) and cases cited therein.

from guests who came from outside the State of Missouri.

During 1948 supplies and equipment purchased by the employer cost \$6,300,000. Of this amount, over \$800,000 was paid for supplies and equipment shipped to the hotels directly from points outside the State of Missouri. The remainder was purchased within the State, of which an undetermined amount originated outside the State of Missouri. Among the purchases known to have originated outside the State of Missouri, although locally obtained, were meats and food from Armour & Co. exceeding \$97,000, and coal in an amount exceeding \$50,000. The employer stipulated that approximately 65 percent of the purchases of liquor and cigarettes, which totaled more than \$500,000, originated outside the State of Missouri. All purchases of the employer, wherever obtained, are utilized locally in serving the hotels' guests.

Both the employer and the intervenors, the predominant labor organizations in the hotel industry, urge that the Board adhere to past precedent by declining to exercise jurisdiction here. We think that their joint contention is entitled to great weight.

For the purpose of clarifying and defining "where the difficult line can best be drawn," the Board recently announced that it would utilize certain standards—many of them arithmetic—as a guide in determining whether or not to exercise jurisdiction in cases where earlier precedent had sometimes appeared uncertain. We pointed out at the time that these standards reflected, "in large measure, the results reached in the Board's past decisions disposing of similar jurisdictional issues."⁵ Were we to judge this case by those standards alone, jurisdiction should be exercised here. In our opinion, however, there are other and weightier considerations present in this case. Surely this Board did not intend by announcing these standards, and should not now, completely divest itself of power to decline to take jurisdiction upon the basis of other factors, in that rare situation where we are convinced that the Board would otherwise have to sacrifice the evident purposes of Congress in the interest of mere blueprint consistency.

As was said in the majority opinion in the Greenbrier Hotel case,⁶ "nothing in the legislative history of the present act indicates dissatisfaction by the Congress with the Board's long-standing policy,"⁷ running back to 1935, not to assert jurisdiction over hotels. This interpretation of congressional intent is borne out by the opinion expressed on the floor of the Senate on August 30, 1949,⁸ when, upon questioning by Senator Pepper, Senator Taft said, without opposition being voiced by any other Senator, that " * * * The Taft-Hartley law did not change in any way the language providing for the jurisdiction of the Board, or the general definition of

⁵ The cases which set forth these criteria were *WBSR, Inc.* (91 NLRB No. 110); *W. C. King d/b/a Local Transit Lines* (91 NLRB No. 96); *The Borden Company, Southern Division* (91 NLRB No. 109); *Stanislaus Implement and Hardware Company, Limited* (91 NLRB No. 116); *Hollow Tree Lumber Company* (91 NLRB No. 113); *Federal Dairy Co., Inc.* (91 NLRB No. 107); *Dorn's House of Miracles, Inc.* (91 NLRB No. 82); *The Rutledge Paper Products, Inc.* (91 NLRB No. 115); and *Westport Moving and Storage Company, Crate Making Division* (91 NLRB No. 149).

⁶ *The White Sulphur Springs Company* (85 NLRB 1487 (1949)).

⁷ See last two paragraphs of the opinion of the Supreme Court of the United States in *N. L. R. B. v. Gullett Gin Company, Inc.*, decided January 15, 1951.

⁸ CONGRESSIONAL RECORD, 81st Cong., 1st sess., pp. 12697 and 12698.

Public Law 126 - 84th Congress
Chapter 258 - 1st Session
H. R. 5560

AN ACT

All 69 Stat. 242.

Relating to the free importation of personal and household effects brought into the United States under Government orders, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Act of June 27, 1942, entitled "An Act to exempt from duty personal and household effects brought into the United States under Government orders", as amended (U. S. C., title 50 App., secs. 801 and 802), is hereby amended to read as follows: "That under regulations to be prescribed by the Secretary of the Treasury, after consultation with such agencies as he shall consider to be substantially interested, the personal and household effects (with such limitation on the importation of alcoholic beverages and tobacco products as the Secretary may prescribe) of any person in the service of the United States who returns to the United States upon the termination of assignment to extended duty (as defined in the above-authorized regulations) at a post or station outside the customs territory of the United States, or of returning members of his family who have resided with him at such post or station, or of any person evacuated to the United States under Government orders or instructions, may be brought into customs territory of the United States without the payment of any duty or tax imposed upon, or by reason of, importation."

Importation of
personal effects,
etc.
56 Stat. 461.

(b) The amendment made by subsection (a) shall be effective with respect to articles entered for consumption or withdrawn from warehouse for consumption on or after July 1, 1955, and before July 1, 1958.

SEC. 2. (a) The following provisions of the Tariff Act of 1930, as amended, are hereby amended by inserting "Johnston Island," immediately after "Kingman Reef," each place it appears therein:

Johnston Island.
Applicability of
customs laws.

(1) That part of section 1 which precedes schedule 1 (19 U. S. C., sec. 1001).

(2) That part of section 201 which precedes schedule 16 (19 U. S. C., sec. 1201).

(3) Section 401 (k) (19 U. S. C., sec. 1401 (k)).

(4) Section 557 (a) (19 U. S. C., sec. 1557 (a)).

(5) Section 562 (19 U. S. C., sec. 1562).

(b) Section 401 (a) of the Anti-Smuggling Act, as amended (19 U. S. C., sec. 1709 (a)), is hereby amended by inserting "Johnston Island," immediately after "Kingman Reef,".

(c) Sections 542, 544, and 545 of title 18 of the United States Code are hereby amended by inserting "Johnston Island," immediately after "Kingman Reef," each place it appears therein.

62 Stat. 715,
716.

(d) The amendments made by this section shall take effect on the day following the day on which this Act is enacted.

Approved June 30, 1955.

